

# INVESTOR PRESENTATION

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# 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 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](http://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.

- Firm Overview
- Multi-Boutique Model
- Growth Opportunities
- Products and Performance
- Distribution
- Agreement with Stone Harbor Investment Partners
- Financial Review
- Appendix

# Firm Overview

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**We are a distinctive partnership of boutique investment managers, singularly committed to the long-term success of individual and institutional investors**

- **Independent publicly traded asset manager**
  - Market capitalization of \$2.6<sup>1</sup> billion (NASDAQ: VRTS)
- **Managing \$182.4<sup>2</sup> billion in a multi-boutique structure**
  - Flexible model with offerings from affiliated managers and select subadvisers
  - Strong, centralized retail distribution
  - Shared operations and business support services
- **Investment strategies available in multiple product forms:**
  - Open-end mutual funds
  - Closed-end funds
  - UCITS
  - ETFs
  - Retail separate accounts
  - Institutional accounts
  - Collective investment trusts (CITs)
  - Structured products

<sup>1</sup>Fully diluted market capitalization as of November 2, 2021

<sup>2</sup>As of September 30, 2021; Pro forma for acquisition of Westchester Capital, which closed on October 1, 2021

### Flexible Multi-Boutique Model

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- Flexible partnership approach with alignment of interests
  - Preserves affiliate culture, investment process, and brand
  - Shared distribution and support services
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### Diverse, High-Quality Product Offerings

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- Well-diversified across asset classes and investment styles
  - Differentiated strategies for changing environments and investor preferences
  - Consistently strong investment performance
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### Effective Distribution Capabilities

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- Provides one-point access to distinctive investment capabilities
  - Relationships with a broad network of intermediaries and consultants
  - Consultative and educational sales approach
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### Attractive Financial Profile

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- Strong and diverse cash flow
  - Proven operating leverage and ability to generate attractive margins
  - Prudent capital management with modest financial leverage, focused on growing the business
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### Multiple Opportunities for Growth

- Introduction of new products
- Expansion of investment capabilities and distribution
- Addition of new affiliates

**To be a distinctive and trusted provider of asset management products and services that is profitable, growing, and consistently delivering value for clients and shareholders**

- Offer high-quality, attractive investment strategies to meet multiple investment needs
- Raise and retain assets by positioning products as solutions to investment needs
- Align organizational capabilities to facilitate business objectives and create an attractive environment for investment managers
- Raise awareness and knowledge of Virtus among all constituencies, including current and prospective clients, advisors, business partners, associates, and shareholders
- Manage capital prudently, balancing operating flexibility, investment in growth, and return of capital
- Build long-term shareholder value through risk-managed execution of business activities

## Multi-Boutique Model

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We have the flexibility, agility, and responsiveness of a boutique asset management firm with the product breadth, distribution reach, and resources of larger firms

### All the Benefits of a Multi-Boutique

- Broad array of differentiated investment strategies
  - Attractive structure for high-quality investment teams and firms
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### Greater Efficiency

- Supported by effective retail distribution and marketing, shared operations and business support services
  - Significant economies of scale benefit affiliates
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### Greater Flexibility

- Model incorporates multiple partnership options
  - Ability to respond to evolving investor preferences
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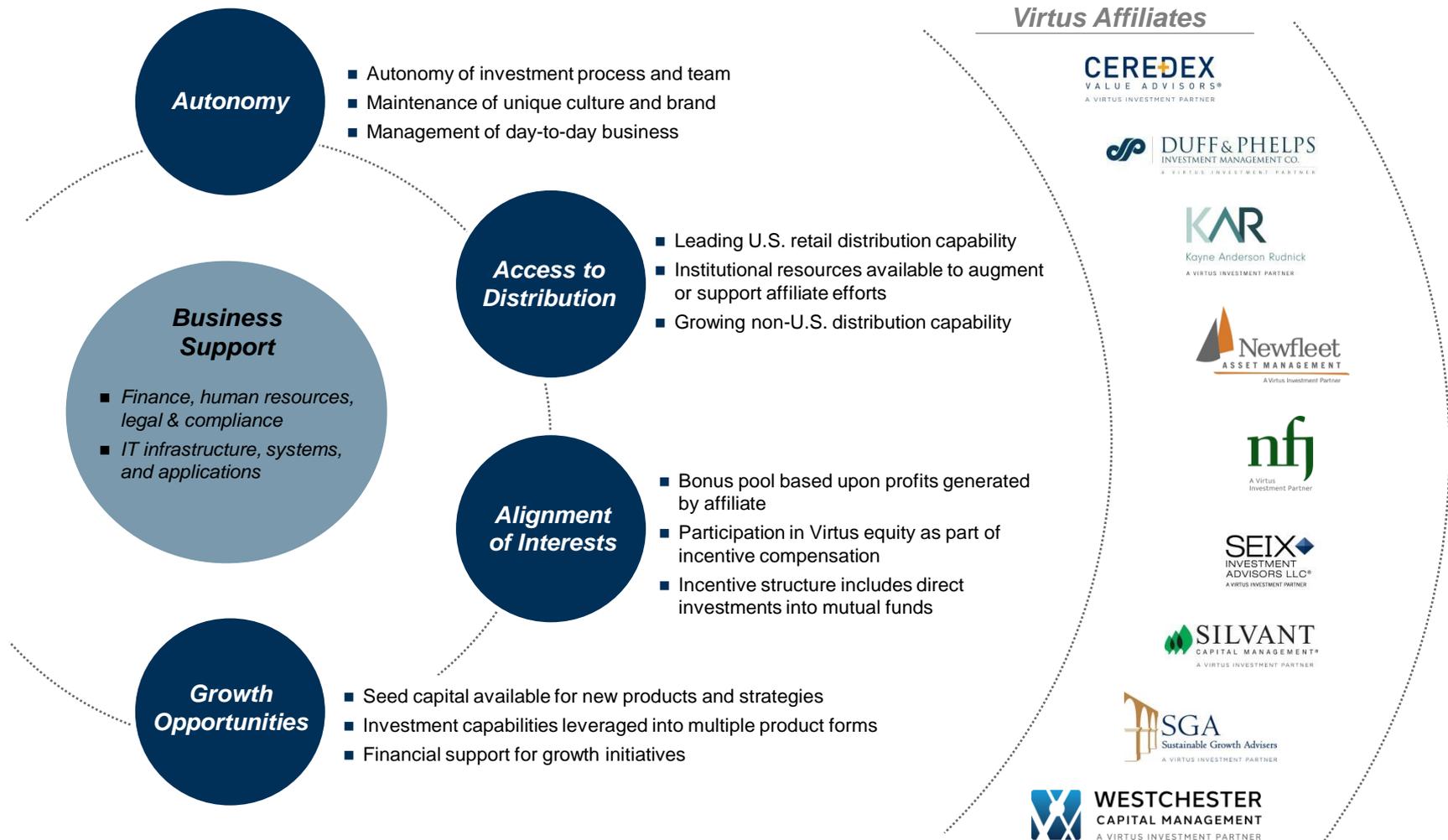
### Greater Growth Opportunities

- Expand product offerings from current and new managers
- Leverage distribution effectiveness to other channels and geographies

# MULTI-BOUTIQUE MODEL

## ALIGNMENT, AUTONOMY, AND SUPPORT

Our partnership approach preserves each affiliate's unique entrepreneurial culture, provides continued investment autonomy, and ensures appropriate alignment of interests



# MULTI-BOUTIQUE MODEL

## AFFILIATED MANAGERS

|  |   |   |   |   |
|--|---|---|---|---|
|       |  |   |  |  |
| <p>HEADQUARTERS<br/><b>Orlando, FL</b></p>   | <p>HEADQUARTERS<br/><b>Chicago, IL</b></p>  | <p>HEADQUARTERS<br/><b>Los Angeles, CA</b></p>                                      | <p>HEADQUARTERS<br/><b>Hartford, CT</b></p>   | <p>HEADQUARTERS<br/><b>Dallas, TX</b></p>   |
| <p>FOUNDED<br/><b>1995</b></p>   | <p>FOUNDED<br/><b>1932</b></p>  | <p>FOUNDED<br/><b>1984</b></p>  | <p>FOUNDED<br/><b>2011</b></p>  | <p>FOUNDED<br/><b>1989</b></p>  |
| <p>AUM<br/><b>\$9.4</b></p>  | <p>AUM<br/><b>\$11.2</b></p>  | <p>AUM<br/><b>\$61.8</b></p>  | <p>AUM<br/><b>\$10.3</b></p>  | <p>AUM<br/><b>\$8.5</b></p>   |
| <p>INVESTMENT STYLE<br/><b>Value equities</b></p>                                      | <p>INVESTMENT STYLE<br/><b>Income-focused equities</b></p>                        | <p>INVESTMENT STYLE<br/><b>Quality-oriented equities</b></p>                        | <p>INVESTMENT STYLE<br/><b>Multi-sector fixed income</b></p>                        | <p>INVESTMENT STYLE<br/><b>Global value equities</b></p>                            |
| <p>INVESTMENT PROFESSIONALS<br/><b>13</b></p>  | <p>INVESTMENT PROFESSIONALS<br/><b>25</b></p>                                     | <p>INVESTMENT PROFESSIONALS<br/><b>35</b></p>                                       | <p>INVESTMENT PROFESSIONALS<br/><b>27</b></p>                                       | <p>INVESTMENT PROFESSIONALS<br/><b>10</b></p>                                       |
|       |  |  |  |   |
| <p>HEADQUARTERS<br/><b>Park Ridge, NJ</b></p>  | <p>HEADQUARTERS<br/><b>Atlanta, GA</b></p>  | <p>HEADQUARTERS<br/><b>Stamford, CT</b></p>   | <p>HEADQUARTERS<br/><b>Valhalla, NY</b></p>   |   |
| <p>FOUNDED<br/><b>1992</b></p>   | <p>FOUNDED<br/><b>2008</b></p>  | <p>FOUNDED<br/><b>2003</b></p>  | <p>FOUNDED<br/><b>1989</b></p>  |   |
| <p>AUM<br/><b>\$18.3</b></p>   | <p>AUM<br/><b>\$0.8</b></p>   | <p>AUM<br/><b>\$25.3</b></p>  | <p>AUM<br/><b>\$5.1</b></p>   |   |
| <p>INVESTMENT STYLE<br/><b>Investment grade and leveraged finance fixed income</b></p> | <p>INVESTMENT STYLE<br/><b>Growth equities</b></p>                                | <p>INVESTMENT STYLE<br/><b>Global growth equities</b></p>                           | <p>INVESTMENT STYLE<br/><b>Event driven equity</b></p>                              |   |
| <p>INVESTMENT PROFESSIONALS<br/><b>46</b></p>  | <p>INVESTMENT PROFESSIONALS<br/><b>7</b></p>                                      | <p>INVESTMENT PROFESSIONALS<br/><b>19</b></p>                                       | <p>INVESTMENT PROFESSIONALS<br/><b>7</b></p>  |   |

# Growth Opportunities

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### Product

- Leverage capabilities of current strategies into other product structures
- Broaden capabilities with new teams/managers

#### *Examples:*

- Expand ETFs, UCITS, CITs and private funds
- Selectively add subadvisers or lift outs

### Distribution

- Leverage strength in existing retail channels
- Increase presence in RIA and retirement
- Expand institutional distribution
- Broaden presence in offshore markets

#### *Examples:*

- Expand sales of newer products
- Replicate strengths in less penetrated areas
- Add distribution resources
- Enhance non-U.S. distribution support

### Inorganic

- Add differentiated or complementary investment strategies
- Diversify distribution
- Increase scale

#### *Examples:*

- Acquire boutiques with:
  - Non-competing capabilities
  - Complementary distribution capabilities
  - Significant presence in under-penetrated strategies

# GROWTH OPPORTUNITIES

## INORGANIC ACTIVITIES

| Date          | Opportunity  | Impact  |
|---------------|--|---|
| November 2010 | <ul style="list-style-type: none"> <li>Adopts Phoenix Edge Series Trust, a variable insurance trust (VIT), from The Phoenix Companies</li> </ul>                   | <ul style="list-style-type: none"> <li>Establishes a proprietary Virtus VIT, expanding distribution opportunities in the insurance and retirement channels</li> </ul>           |
| June 2011     | <ul style="list-style-type: none"> <li>Establishes Newfleet Asset Management affiliate via team lift out</li> </ul>  | <ul style="list-style-type: none"> <li>Adds dedicated fixed income affiliate with successful track record to expand in the retail and institutional channels</li> </ul>         |
| October 2011  | <ul style="list-style-type: none"> <li>Adopts DCA Total Return Fund</li> </ul>   | <ul style="list-style-type: none"> <li>Expands closed-end fund offerings</li> </ul>   |
| April 2015    | <ul style="list-style-type: none"> <li>Acquires majority interest in ETF Issuer Solutions</li> </ul>   | <ul style="list-style-type: none"> <li>Establishes proprietary ETF capabilities, adds active and passive ETF products</li> </ul>  |
| June 2017     | <ul style="list-style-type: none"> <li>Acquires RidgeWorth Investments (Ceredex, Silvant and Seix)</li> </ul>  | <ul style="list-style-type: none"> <li>Transformative acquisition, significantly increases scale, diversifies investment offerings, and enhances distribution</li> </ul>        |
| July 2018     | <ul style="list-style-type: none"> <li>Makes majority investment in Sustainable Growth Advisors (SGA)</li> </ul>   | <ul style="list-style-type: none"> <li>Adds specialized growth equity affiliate with U.S. and global equity strategies, expands institutional and non-US client base</li> </ul> |
| May 2019      | <ul style="list-style-type: none"> <li>Adopts SGA Global Growth Fund from American Beacon</li> </ul>   | <ul style="list-style-type: none"> <li>Expands fund offerings with 5-star fund managed by affiliate</li> </ul>  |
| February 2021 | <ul style="list-style-type: none"> <li>Becomes investment advisor, distributor, and/or administrator of <b>Allianz Global Investors</b> retail products</li> </ul> | <ul style="list-style-type: none"> <li>Adds 25 open-end funds, 7 closed-end funds, and retail separate accounts managed by AllianzGI and NFJ</li> </ul>                         |
| October 2021  | <ul style="list-style-type: none"> <li>Acquires Westchester Capital Management</li> </ul>  | <ul style="list-style-type: none"> <li>Adds \$5.1 billion of AUM in differentiated, non-correlated event-driven strategies, including the flagship Merger Fund</li> </ul>       |

**Selective acquisition strategy targeting differentiated, institutional quality managers, as well as opportunities that expand our product offering or enhance our scale and/or distribution capabilities**

- While our long-term growth strategy is not contingent upon M&A, our business model is effectively built to support and maintain the addition of new affiliated managers
- We evaluate inorganic growth opportunities selectively, and only consider opportunities that make both financial and strategic sense
- Any opportunity considered must represent our highest and best use of capital
- Our track record demonstrates a disciplined approach to M&A evaluation, and successful execution of acquisitions

## Products and Performance

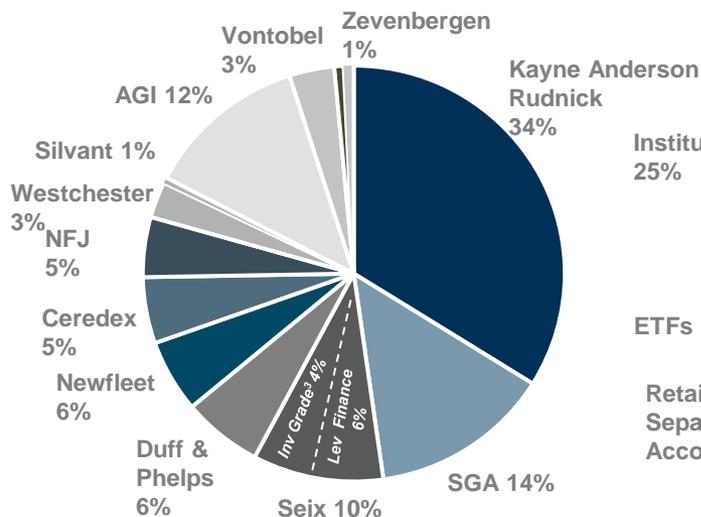
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# PRODUCTS AND PERFORMANCE

## DIVERSIFIED CAPABILITIES



### AUM by Manager



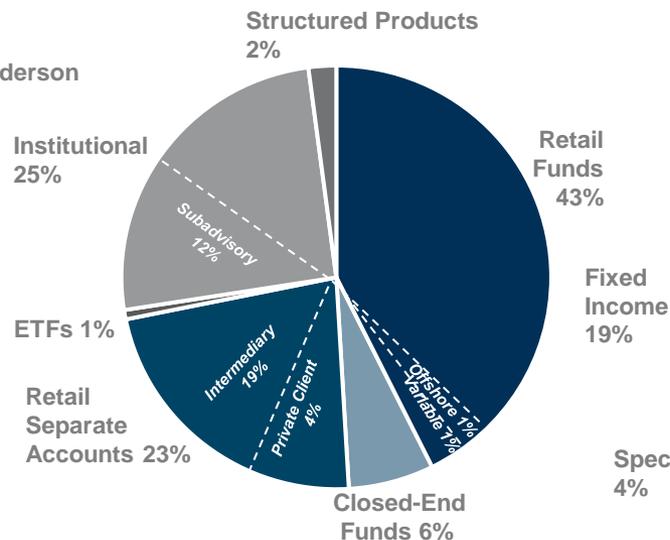
#### Affiliated Managers

|                        |                |
|------------------------|----------------|
| Kayne Anderson Rudnick | \$61.8         |
| SGA                    | 25.3           |
| Seix                   | 18.3           |
| Duff & Phelps          | 11.2           |
| Newfleet               | 10.3           |
| Ceredex                | 9.4            |
| NFJ                    | 8.5            |
| Westchester            | 5.1            |
| Silvant                | 0.8            |
| Other <sup>2</sup>     | 0.2            |
| <b>Total</b>           | <b>\$150.9</b> |

#### Subadvisers

|                   |               |
|-------------------|---------------|
| AGI               | \$22.6        |
| Vontobel          | 6.3           |
| Zevenbergen       | 1.3           |
| Other Subadvisers | 1.3           |
| <b>Total</b>      | <b>\$31.5</b> |

### AUM by Product Type



#### Funds

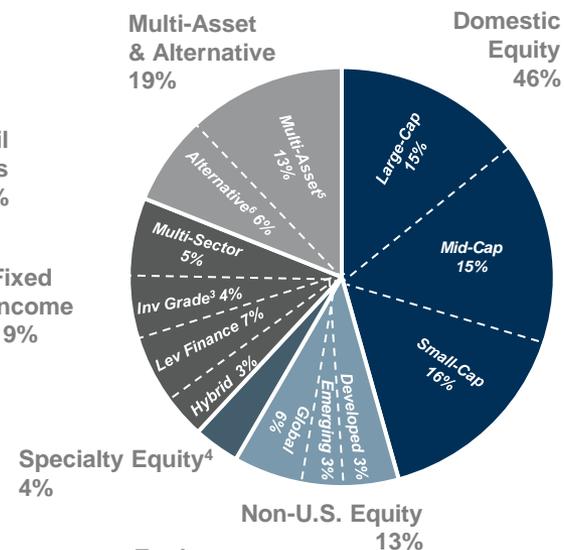
|                    |               |
|--------------------|---------------|
| Retail             | \$75.3        |
| Closed-End         | 11.7          |
| Variable Insurance | 1.1           |
| Offshore           | 1.4           |
| ETFs               | 1.3           |
| <b>Total</b>       | <b>\$90.8</b> |

#### Separate Accounts

|                          |               |
|--------------------------|---------------|
| Institutional Accounts   | \$46.3        |
| Retail Separate Accounts | 41.5          |
| Structured Products      | 3.8           |
| <b>Total</b>             | <b>\$91.6</b> |

**Total AUM: \$182.4 billion<sup>1</sup>**

### AUM by Asset Class



#### Equity

|                        |                |
|------------------------|----------------|
| Domestic Small-Cap     | \$29.3         |
| Domestic Large-Cap     | 25.9           |
| Domestic Mid-Cap       | 28.1           |
| Specialty <sup>4</sup> | 6.4            |
| Global                 | 11.0           |
| Emerging Market        | 6.2            |
| Developed Market       | 5.8            |
| <b>Total</b>           | <b>\$112.7</b> |

#### Fixed Income

|                               |               |
|-------------------------------|---------------|
| Leveraged Finance             | \$12.2        |
| Multi-Sector                  | 9.7           |
| Investment Grade <sup>3</sup> | 7.9           |
| Hybrid                        | 5.4           |
| <b>Total</b>                  | <b>\$35.2</b> |

#### Multi-Asset and Alternative

|                          |               |
|--------------------------|---------------|
| Multi-Asset <sup>5</sup> | \$23.7        |
| Alternative <sup>6</sup> | 10.8          |
| <b>Total</b>             | <b>\$34.5</b> |

\$ billions; totals may not add due to rounding <sup>1</sup>Pro forma as of September 30, 2021; reflects assets from Westchester Capital acquisition finalized

October 1, 2021 <sup>2</sup>ETF strategies <sup>3</sup>Includes ultra-short bond strategies <sup>4</sup>Includes strategies designed to give targeted investment exposure to specific longer-term trends and themes or specific industry sectors <sup>5</sup>Includes strategies with concentrations in at least two of the following asset classes: equity, fixed income and alternatives <sup>6</sup>Includes real estate securities, infrastructure, mid-stream energy, long/short and options strategies

# PRODUCTS AND PERFORMANCE

## MULTI-PRODUCT OFFERINGS



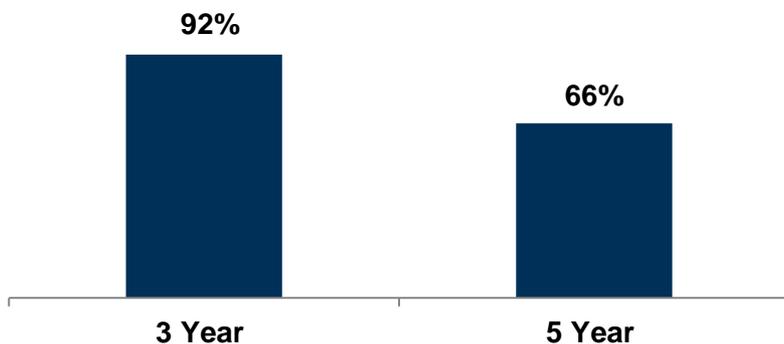
|                                 |                                 |   |
|---------------------------------|---------------------------------|---|
| <b>Open-End Funds</b>           | 83 Funds<br>\$70.6 billion      | <ul style="list-style-type: none"><li>■ Most major traditional investment categories with a strength in differentiated strategies</li><li>■ Product offerings leverage all affiliate capabilities and select, high-quality subadvisers</li><li>■ Widely available and distributed through broad range of intermediaries</li></ul>   |
| <b>Variable Insurance Funds</b> | 8 Funds<br>\$1.1 billion        | <ul style="list-style-type: none"><li>■ Focused selection of investment strategies generally leveraging open-end strategies</li><li>■ Managers include Duff &amp; Phelps, Kayne Anderson Rudnick, Newfleet, and SGA</li><li>■ Investment offerings made available within variable annuities and variable life insurance</li></ul>   |
| <b>Exchange-Traded Funds</b>    | 15 Funds<br>\$1.3 billion       | <ul style="list-style-type: none"><li>■ Focused set of offerings of active and passive strategies to address specific needs</li><li>■ Managers include Newfleet, Seix, and subadvisers Wellington, LifeSci, InfraCap, Reaves</li><li>■ Distributed through intermediaries, predominately independent and RIA</li></ul>              |
| <b>Offshore Funds</b>           | 6 Funds<br>\$1.4 billion        | <ul style="list-style-type: none"><li>■ Tailored set of strategies attractive in the non-U.S. market</li><li>■ Offerings from Kayne Anderson Rudnick, Newfleet, Seix, and SGA</li><li>■ Distribution in U.S. to NRAs through dedicated resource and third-party firm</li></ul>  |
| <b>Closed-End Funds</b>         | 12 Funds<br>\$11.7 billion      | <ul style="list-style-type: none"><li>■ Yield-generating strategies (utility, municipals, multi-sector fixed, MLP, and options)</li><li>■ Managers include Duff &amp; Phelps, Kayne Anderson Rudnick, Newfleet, NFJ, and AGI</li><li>■ Available through intermediaries; focus on retirees</li></ul>                                |
| <b>Retail Separate Accounts</b> | 23 Strategies<br>\$41.5 billion | <ul style="list-style-type: none"><li>■ Offerings from Duff &amp; Phelps, Kayne Anderson Rudnick, NFJ, Seix, and SGA</li><li>■ Managed accounts sponsored and distributed by unaffiliated brokerage firms</li><li>■ Private client services offered directly to high-net-worth clients</li></ul>                                    |
| <b>Institutional</b>            | \$45.9 billion                  | <ul style="list-style-type: none"><li>■ Fixed income, equity, and solution-oriented strategies that leverage capabilities from Ceredex, Duff &amp; Phelps, Kayne Anderson Rudnick, Newfleet, NFJ, Seix, Silvant, and SGA</li><li>■ Affiliate-centric with shared support, targeting channels in U.S. and non-U.S. markets</li></ul> |
| <b>Structured Products</b>      | \$3.8 billion                   | <ul style="list-style-type: none"><li>■ Offerings leverage capabilities of Seix and Newfleet</li><li>■ Focused on BB- and B-rated loans from companies with strong asset coverage and solid free cash flow generation</li></ul>   |

# PRODUCTS AND PERFORMANCE

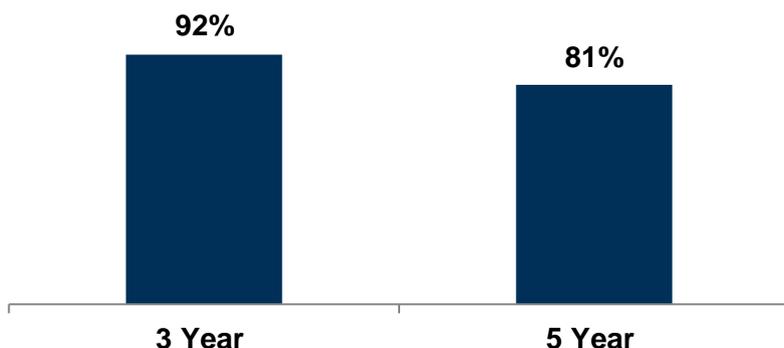
ATTRACTIVE PERFORMANCE



## Institutional Performance<sup>1</sup>



## Managed Accounts Performance<sup>1</sup>



## Mutual Fund Performance<sup>2</sup>

| Morningstar Rating | # of Funds | \$ AUM   | % of AUM |       |
|--------------------|------------|----------|----------|-------|
| ★★★★★              | 12         | \$31,119 | 44%      | } 68% |
| ★★★★               | 24         | \$16,711 | 24%      |       |
| ★★★                | 26         | \$12,218 | 17%      |       |
| ★★                 | 12         | \$10,203 | 15%      | } 85% |
| ★                  | 0          | \$0      | 0%       |       |

### Morningstar Normal Distribution

| 5 Star | 4 Star | 3 Star | 2 Star | 1 Star |
|--------|--------|--------|--------|--------|
| 10%    | 22.5%  | 35%    | 22.5%  | 10%    |

Strong ratings are not indicative of positive fund performance. The Overall Morningstar Rating is based on risk-adjusted returns.

As of September 30, 2021; \$ millions

<sup>1</sup> % AUM outperforming benchmark

<sup>2</sup> AUM excludes non-rated funds. Based on institutional-class shares, except for funds without I shares, for which A shares were used, or if A share rating is higher than I shares  
Past performance is not indicative of future results

# PRODUCTS AND PERFORMANCE

DIVERSITY OF PERFORMANCE



36 mutual funds rated 5 or 4 Stars, including 8 of 10 largest funds

## 5- and 4-Star Mutual Funds by Asset Class

| Asset Class             | # of Funds <sup>1</sup> |
|-------------------------|-------------------------|
| Fixed Income            | 11 Funds                |
| U.S. Equity             | 11 Funds                |
| Multi-Asset/Alternative | 8 Funds                 |
| International Equity    | 6 Funds                 |

## Ten Largest Mutual Funds

| Fund                                  | AUM   | M'Star Rating <sup>1</sup> |
|---------------------------------------|-------|----------------------------|
| AllianzGI Income & Growth             | \$7.1 | 5                          |
| KAR Small-Cap Growth                  | \$6.7 | 5                          |
| Newfleet Multi-Sector Short Term Bond | \$6.5 | 5                          |
| Vontobel EM Opportunities             | \$4.8 | 2                          |
| Ceredex Mid-Cap Value Equity          | \$3.5 | 4                          |
| KAR Mid-Cap Growth                    | \$3.4 | 5                          |
| KAR International Small-Cap           | \$3.1 | 4                          |
| AllianzGI Convertible                 | \$3.0 | 5                          |
| AllianzGI Technology                  | \$2.4 | 3                          |
| Seix Floating Rate High Income        | \$2.3 | 3                          |

As of September 30, 2021; \$ billions

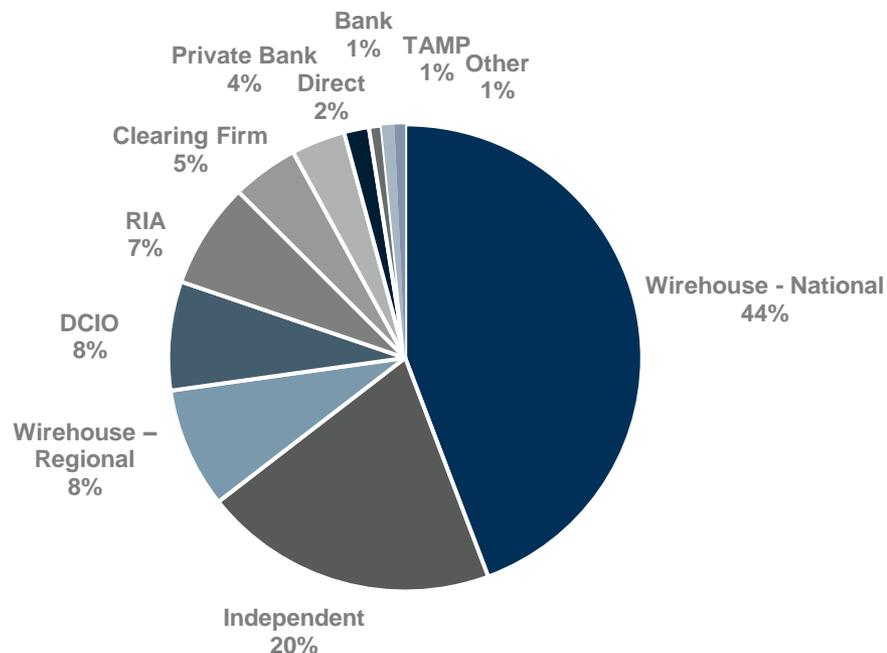
<sup>1</sup>Morningstar overall rating for institutional-class shares based on risk-adjusted returns. Strong ratings are not indicative of positive fund performance.

# Distribution

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Broad and diversified product offerings make us a meaningful partner with distributors and consultants for retail investors

### AUM by Distribution Channel



**Total Retail AUM: \$129.1 billion**

- Centralized retail distribution resources for mutual fund, retail separate account<sup>1</sup>, and ETF sales
- Distribution through financial advisors in the wirehouse, independent/RIA, and DCIO channels

MUTUAL FUNDS ■ CLOSED-END FUNDS ■ RETAIL SEPARATE ACCOUNTS  
UCITS ■ COLLECTIVE INVESTMENT TRUSTS ■ ETFs

| Wirehouse   | Regional  | Independent/<br>RIA                      | Private<br>Bank                              | Retirement and<br>Insurance                               | Offshore   |
|---|---|--|--|---|--|
| Merrill Lynch<br>Morgan Stanley<br>UBS<br>Wells Fargo | Janney<br>Raymond James<br>RBC<br>Stifel Nicolaus | Ameriprise<br>AXA<br>Commonwealth<br>LPL | Citi<br>Deutsche<br>Fifth Third<br>JP Morgan | Empower<br>Jackson National<br>Nationwide<br>Transamerica | Merrill Lynch<br>Morgan Stanley<br>Snowden Lane<br>UBS |

- Well-defined and differentiated value proposition supports financial intermediaries
- Broad penetration and relationships with national and regional firms
- Experienced, channelized sales force with above-average years of experience in the industry

### Strategy

One-point access to boutique managers

- Broad and differentiated product offerings
- Allows financial advisors to focus on fewer relationships

### Team

Experienced and high-quality 60+ person sales force

- Significant industry experience and tenure
- Effective communication of sophisticated strategies
- 21-year average industry tenure (eight years with Virtus)

### Approach

Consultative approach addressing client needs

- Assist financial advisors in managing their books of business
- Help financial advisors address current and future client needs with thoughtful educational content

# Agreement with Stone Harbor Investment Partners

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### About Stone Harbor

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- Manager of \$14.9 billion<sup>1</sup> of emerging markets debt, multi-asset credit, and other credit strategies
  - Clients include global institutions, including some of the largest sovereign wealth funds, pension plans, foundations, and endowments
- 

### Strategic Rationale

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- Adds highly regarded emerging markets debt strategy
  - Enhances presence in the institutional channel
  - Expands global distribution presence and resources
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### Financial Considerations

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- Acquiring 100% of equity of Stone Harbor at close
  - Strong alignment of interests through potential future payments based on revenue retention and growth
  - Estimated to be modestly accretive to EPS, as adjusted, upon closing<sup>2</sup>
  - Existing balance sheet resources sufficient to fund closing payment
- 

### Approvals and Timing

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- Subject to customary client consents, including approval of fund boards and fund shareholders, as well as approval of foreign regulators
  - Expected to close near the end of 2021
- 

<sup>1</sup>As of September 30, 2021

<sup>2</sup>Based on third quarter 2021 earnings per share, as adjusted

# Financial Review

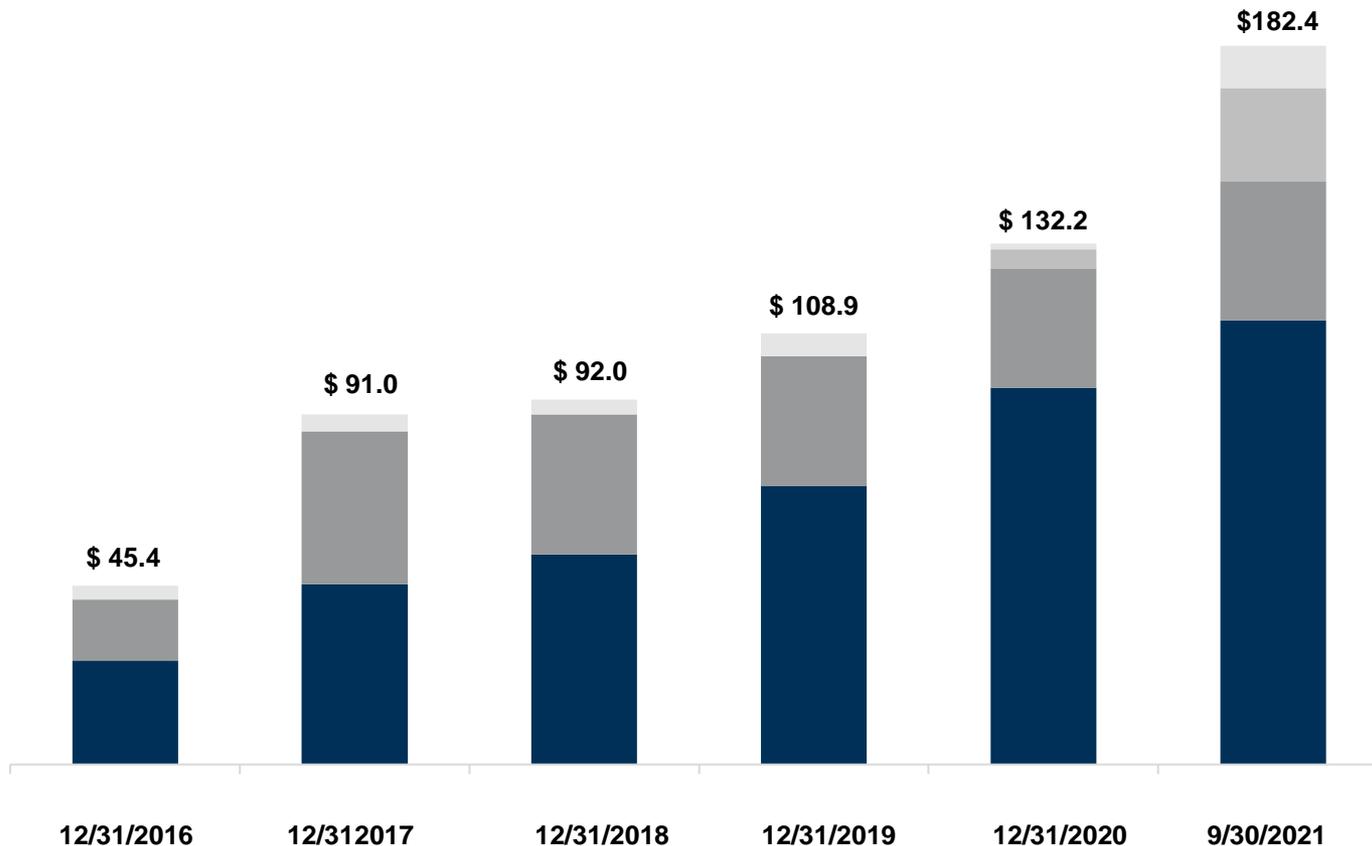
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# ASSETS UNDER MANAGEMENT

DIVERSIFIED AUM



- Alternative
- Multi-Asset
- Fixed Income
- Equity



|                           | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 9/30/2021 |
|---------------------------|------------|------------|------------|------------|------------|-----------|
| Equity                    | \$ 25.8    | \$ 45.4    | \$ 53.3    | \$ 70.7    | \$ 86.3    | \$ 112.7  |
| Fixed Income              | \$ 15.5    | \$ 40.5    | \$ 35.0    | \$ 32.4    | \$ 29.0    | \$ 35.2   |
| Multi-Asset <sup>1</sup>  | \$ -       | \$ -       | \$ -       | \$ -       | \$ 12.1    | \$ 23.7   |
| Alternatives <sup>2</sup> | \$ 4.1     | \$ 5.1     | \$ 3.7     | \$ 5.8     | \$ 4.8     | \$ 10.8   |

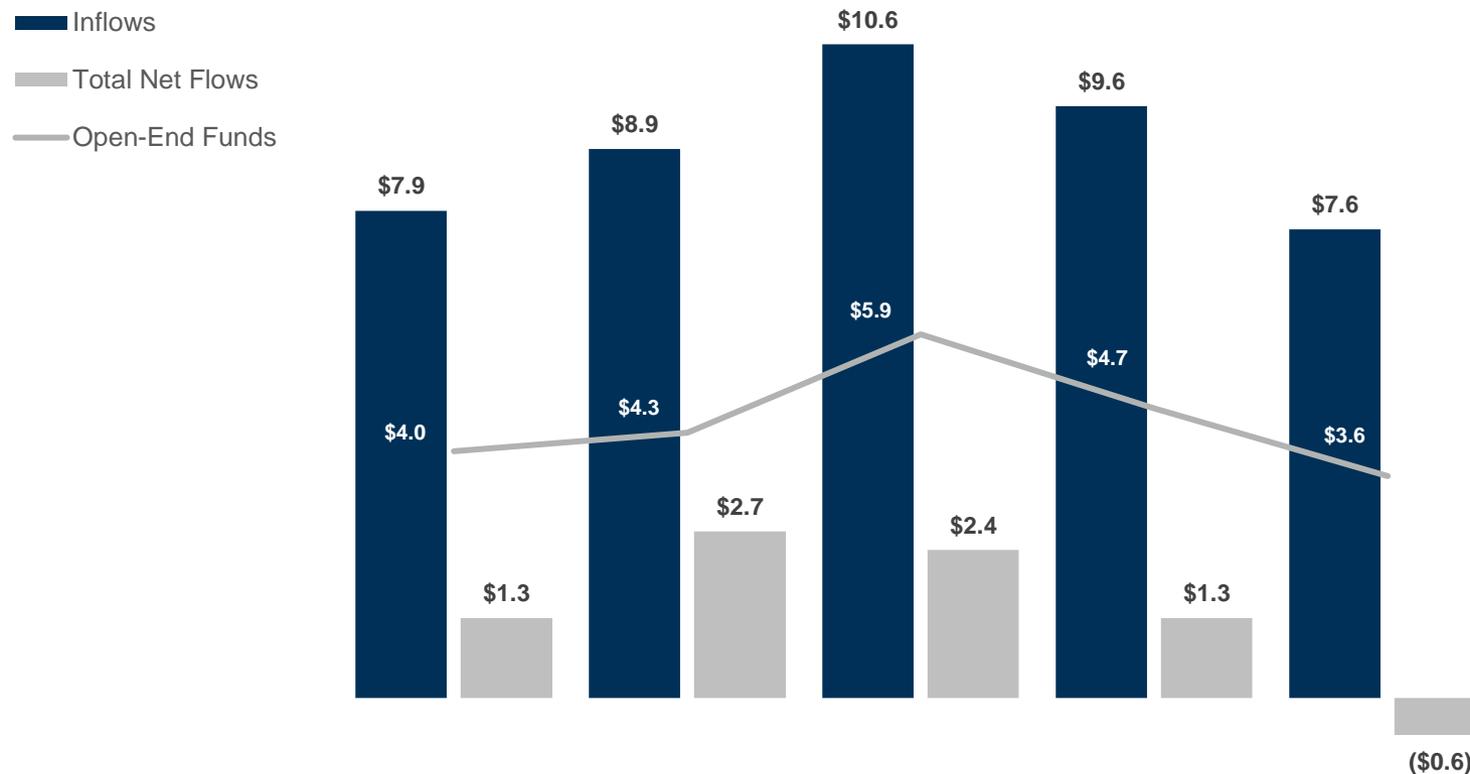
\$ billions; Pro forma as of September 30, 2021; reflects assets from Westchester Capital acquisition finalized October 1, 2021

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

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

# SALES AND NET FLOWS

## QUARTERLY TREND



| METRICS                  | Q3 20 | Q4 20 | Q1 21 | Q2 21 | Q3 21  |
|--------------------------|-------|-------|-------|-------|--------|
| Sales Rate               | 28.9% | 30.5% | 32.6% | 22.7% | 16.9%  |
| Total Net Flow Rate      | 4.7%  | 9.2%  | 7.5%  | 3.2%  | (1.3%) |
| Open-End Fund Sales Rate | 38.6% | 38.2% | 46.8% | 26.4% | 19.1%  |

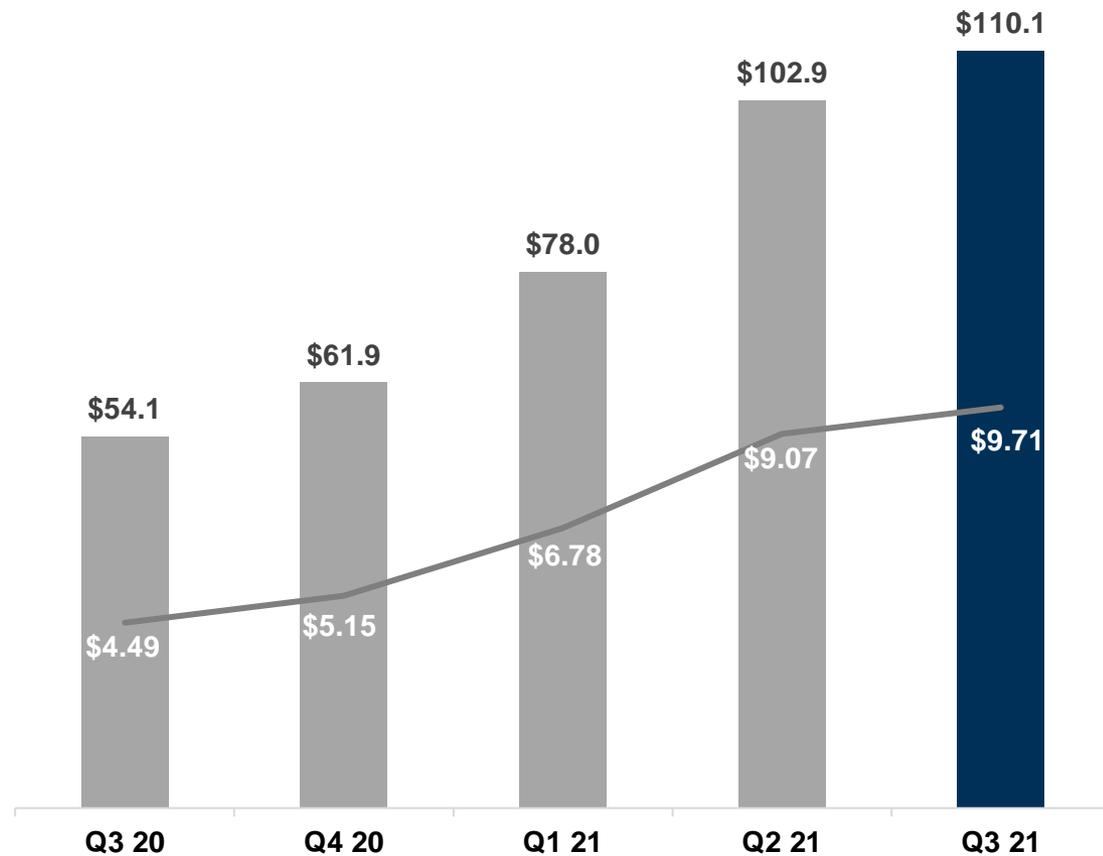
\$ billions

Sales rate is annualized inflows divided by beginning-of-period assets; net flow rate is annualized net flows divided by beginning of period assets

# OPERATING INCOME, AS ADJUSTED

## QUARTERLY TREND

Operating Income, as adjusted  
 Net Income per diluted share, as adjusted



### METRICS

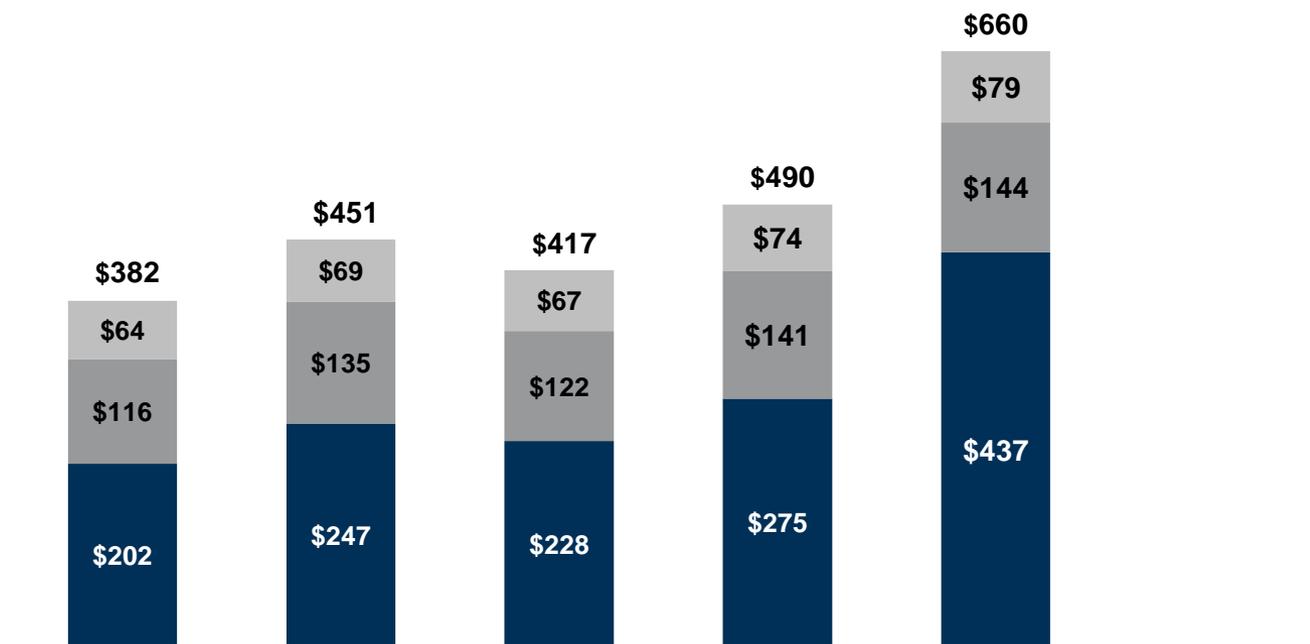
|  | Q3 20  | Q4 20  | Q1 21  | Q2 21  | Q3 21  |
|--|--------|--------|--------|--------|--------|
| Net Income Attributable to Virtus Investment Partners, Inc., as Adjusted | \$35.9 | \$41.4 | \$54.6 | \$72.7 | \$77.5 |
| Operating Margin, as Adjusted  | 39.3%  | 40.3%  | 41.6%  | 48.9%  | 50.6%  |

# STRONG CAPITAL POSITION

## BALANCED CAPITAL MANAGEMENT



- Investments - Other
- Seed Capital<sup>1</sup>
- Cash & Equivalents



| METRICS                      | Q3 20 | Q4 20  | Q1 21  | Q2 21  | Q3 21   |
|------------------------------|-------|--------|--------|--------|---------|
| Working Capital <sup>2</sup> | \$159 | \$172  | \$211  | \$229  | \$345   |
| Gross Debt <sup>3</sup>      | \$223 | \$206  | \$200  | \$194  | \$275   |
| Net Debt (Cash) <sup>4</sup> | \$21  | (\$41) | (\$29) | (\$82) | (\$162) |

\$ in millions

<sup>1</sup> Represents sponsored investment products including open-end funds, ETFs, and separate accounts

<sup>2</sup> Defined as cash and cash equivalents plus accounts receivable, net, less accrued compensation and benefits, accounts payable and accrued liabilities, dividends payable and required principal payments due over the next 12 months, including scheduled amortization and annual excess cash flow payment

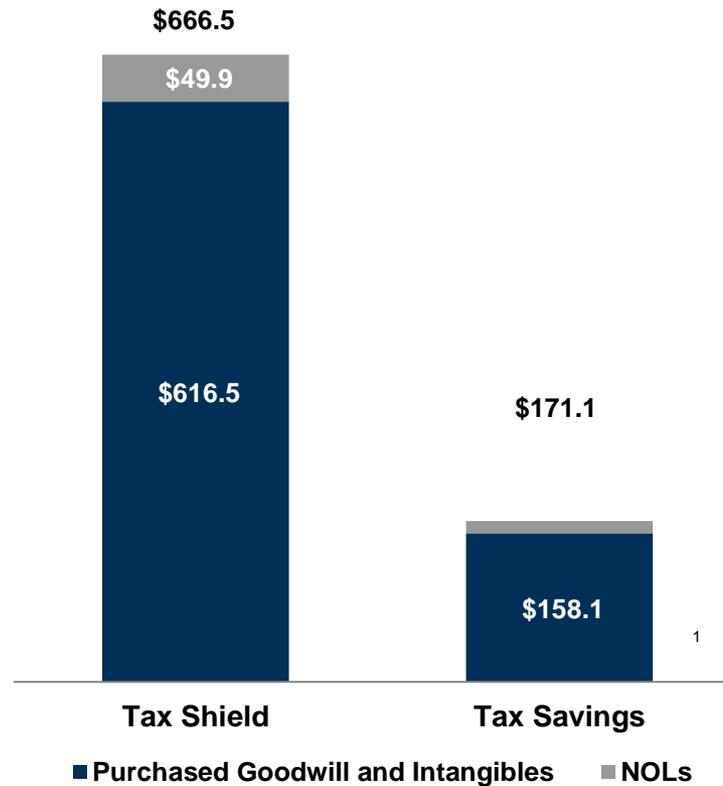
<sup>3</sup> Excludes deferred financing costs

<sup>4</sup> Defined as gross debt less cash and cash equivalents

# TAX BENEFIT

## FAVORABLE CASH FLOW IMPACT

- Recent acquisitions have created significant tax benefit from amortizable intangible assets
- Cash tax savings expected to average \$11 million per year over next 15 years (2021-2035)



\$ in millions

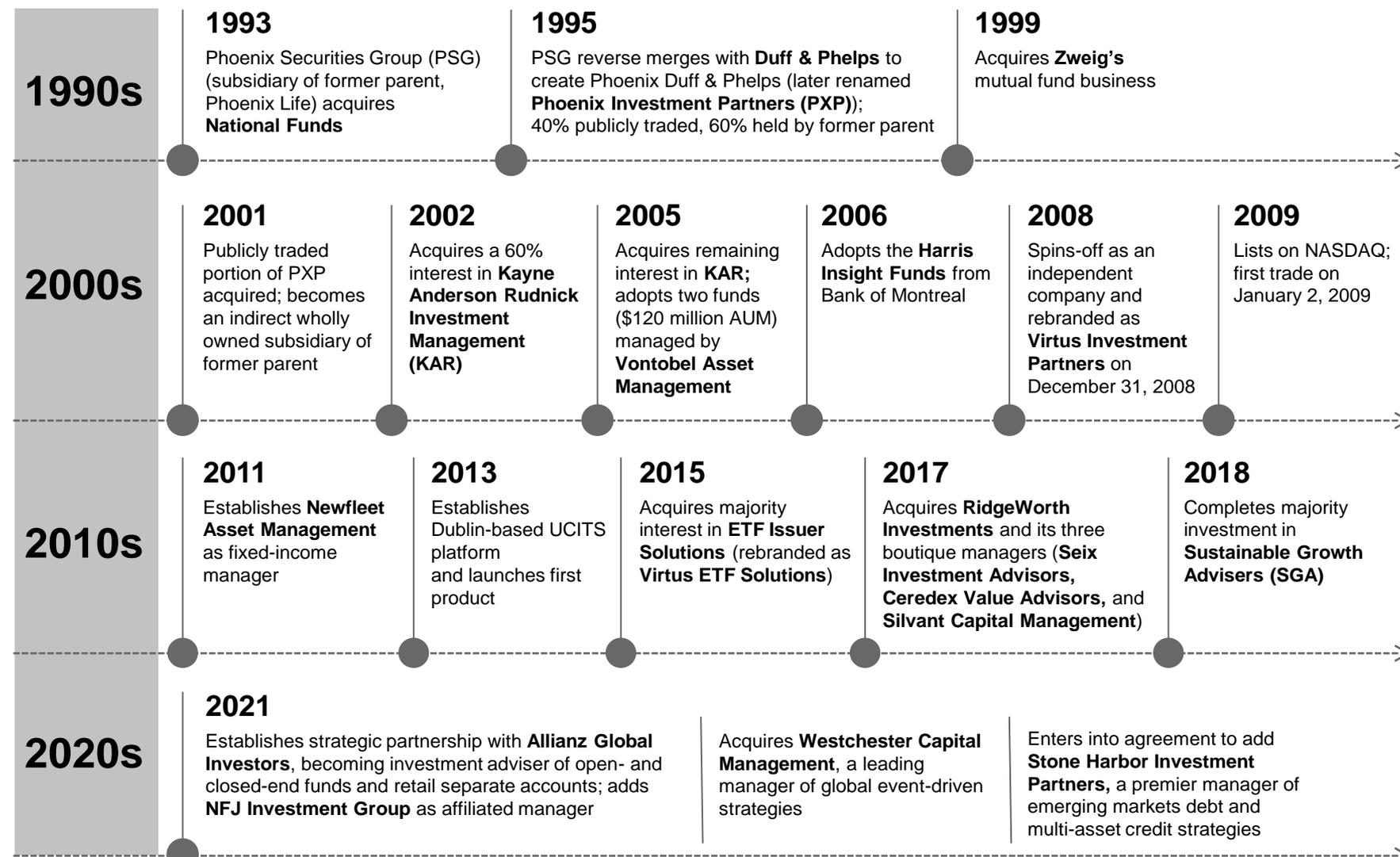
<sup>1</sup> Net operating losses (NOLs) tax shield at assumed effective rate of 26%

# Appendix

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Established in the 1990s and fully independent since January 2009



# PRODUCTS

## BREAKDOWN OF PRODUCTS BY AFFILIATE (PRO FORMA)



### AUM by Product and Adviser

| Adviser                | Open-End Funds | Closed-End Funds | Insurance Funds | ETFs         | Retail Separate Accounts | Institutional Accounts | Structured Products | Total          |
|------------------------|----------------|------------------|-----------------|--------------|--------------------------|------------------------|---------------------|----------------|
| Ceredex                | \$5.2          |                  |                 |              |                          | \$4.2                  |                     | \$9.4          |
| Duff & Phelps          | \$1.2          | \$5.5            | \$0.1           |              |                          | \$4.4                  |                     | \$11.2         |
| Kayne Anderson Rudnick | \$21.8         |                  | \$0.7           |              | \$32.7                   | \$6.6                  |                     | \$61.8         |
| Newfleet               | \$8.7          | \$0.4            | \$0.1           |              |                          | \$0.8                  | \$0.3               | \$10.3         |
| NFJ                    | \$3.3          | \$1.0            |                 |              | \$3.8                    | \$0.4                  |                     | \$8.5          |
| Seix                   | \$5.2          |                  |                 |              | \$2.3                    | \$7.3                  | \$3.5               | \$18.3         |
| Silvant                | \$0.1          |                  |                 |              |                          | \$0.7                  |                     | \$0.8          |
| SGA                    | \$1.2          |                  | \$0.2           |              | \$2.6                    | \$21.3                 |                     | \$25.3         |
| Virtus ETF Advisers    |                |                  |                 | \$0.2        |                          |                        |                     | \$0.2          |
| Westchester            | \$4.7          |                  |                 |              |                          | \$0.4                  |                     | \$5.1          |
| AllianzGI              | \$17.5         | \$4.8            |                 |              | \$0.1                    | \$0.2                  |                     | \$22.6         |
| Vontobel               | \$6.3          |                  |                 |              |                          |                        |                     | \$6.3          |
| Zevenbergen            | \$1.3          |                  |                 |              |                          |                        |                     | \$1.3          |
| Other                  | \$0.2          |                  |                 | \$1.1        |                          |                        |                     | \$1.3          |
| <b>Total</b>           | <b>\$76.7</b>  | <b>\$11.7</b>    | <b>\$1.1</b>    | <b>\$1.3</b> | <b>\$41.5</b>            | <b>\$46.3</b>          | <b>\$3.8</b>        | <b>\$182.4</b> |

\$ billions; totals may not add due to rounding; reflects assets from Westchester Capital acquisition finalized October 1, 2021  
As of September 30, 2021

# FINANCIAL SUPPLEMENT

# NON-GAAP INFORMATION

## INCOME STATEMENT <sup>1</sup> (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>    |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Revenues, As Adjusted</b>                             |                  |                  |                  |                  |                  |                  |                  |
| 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            |
| <b>Total revenues, as adjusted</b>                       | <b>\$137,633</b> | <b>\$153,541</b> | <b>\$187,276</b> | <b>\$210,330</b> | <b>\$217,670</b> | <b>\$382,817</b> | <b>\$615,276</b> |
| <b>Operating Expenses, As Adjusted</b>                   |                  |                  |                  |                  |                  |                  |                  |
| 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            |
| <b>Total operating expenses, as adjusted</b>             | <b>\$83,561</b>  | <b>\$91,623</b>  | <b>\$109,310</b> | <b>\$107,396</b> | <b>\$107,559</b> | <b>\$248,217</b> | <b>\$324,265</b> |
| <b>Operating Income (Loss), As Adjusted</b>              | <b>\$54,072</b>  | <b>\$61,918</b>  | <b>\$77,966</b>  | <b>\$102,934</b> | <b>\$110,111</b> | <b>\$134,600</b> | <b>\$291,011</b> |

\$ in thousands

<sup>1</sup> 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 59 for reconciliations to the most directly comparable U.S. GAAP measures and other important disclosures.

# NON-GAAP INFORMATION

## INCOME STATEMENT <sup>1</sup> (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>    |
|--|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| <b>Other Income (Expense), As Adjusted</b>   |                 |                 |                 |                  |                  |                  |                  |
| 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          |
| <b>Interest Income (Expense), As Adjusted</b>  |                 |                 |                 |                  |                  |                  |                  |
| 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)        |
| <b>Pre-Tax Income (Loss), As Adjusted</b>  | <b>\$52,767</b> | <b>\$61,577</b> | <b>\$78,396</b> | <b>\$103,065</b> | <b>\$109,981</b> | <b>\$130,059</b> | <b>\$291,442</b> |
| Income tax expense (benefit), as adjusted  | 14,414          | 16,804          | 20,942          | 27,394           | 29,113           | 36,237           | 77,449           |
| <b>Net Income (Loss), As Adjusted</b>  | <b>\$38,353</b> | <b>\$44,773</b> | <b>\$57,454</b> | <b>\$75,671</b>  | <b>\$80,868</b>  | <b>\$93,822</b>  | <b>\$213,993</b> |
| Noncontrolling interests, as adjusted  | (2,432)         | (3,411)         | (2,834)         | (3,010)          | (3,355)          | (5,870)          | (9,199)          |
| <b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc., As Adjusted</b> | <b>\$35,921</b> | <b>\$41,362</b> | <b>\$54,620</b> | <b>\$72,661</b>  | <b>\$77,513</b>  | <b>\$87,952</b>  | <b>\$204,794</b> |
| Weighted average shares outstanding - diluted, as adjusted                             | 7,997           | 8,026           | 8,052           | 8,007            | 7,984            | 7,958            | 8,028            |
| <b>Earnings (Loss) Per Share - Diluted, As Adjusted</b>                                | <b>\$4.49</b>   | <b>\$5.15</b>   | <b>\$6.78</b>   | <b>\$9.07</b>    | <b>\$9.71</b>    | <b>\$11.05</b>   | <b>\$25.51</b>   |

\$ and shares in thousands

<sup>1</sup> 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 59 for reconciliations to the most directly comparable U.S. GAAP measures and other important disclosures.

# NON-GAAP INFORMATION

## BALANCE SHEET <sup>1</sup> (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>   |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Assets:</b>  |                    |                    |                    |                    |                    |
| 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             |
| <b>Total Assets</b>                                   | <b>\$1,125,160</b> | <b>\$1,192,835</b> | <b>\$1,324,376</b> | <b>\$1,406,938</b> | <b>\$1,567,813</b> |

\$ in thousands

<sup>1</sup> 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 <sup>1</sup> (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>   |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Liabilities and Equity</b>                           |                    |                    |                    |                    |                    |
| <b>Liabilities:</b>                                     |                    |                    |                    |                    |                    |
| 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 <sup>2</sup>                                       | 218,014            | 201,212            | 195,726            | 190,224            | 266,739            |
| Revenue participation liability <sup>3</sup>            | —                  | —                  | 137,664            | 137,664            | 137,664            |
| <b>Total Liabilities</b>                                | <b>\$371,478</b>   | <b>\$394,215</b>   | <b>\$496,913</b>   | <b>\$517,103</b>   | <b>\$636,628</b>   |
| Redeemable noncontrolling interests                     | \$74,626           | \$87,451           | \$98,059           | \$108,939          | \$118,861          |
| <b>Equity:</b>  |                    |                    |                    |                    |                    |
| Equity attributable to Virtus Investment Partners, Inc. | \$679,056          | \$711,169          | \$729,404          | \$780,896          | \$812,324          |
| <b>Total Liabilities and Equity</b>                     | <b>\$1,125,160</b> | <b>\$1,192,835</b> | <b>\$1,324,376</b> | <b>\$1,406,938</b> | <b>\$1,567,813</b> |
| <b>Working Capital <sup>4</sup></b>                     | <b>\$159,103</b>   | <b>\$171,950</b>   | <b>\$211,101</b>   | <b>\$229,201</b>   | <b>\$345,490</b>   |

\$ in thousands

<sup>1</sup> 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

<sup>2</sup> Defined as gross debt less deferred financing costs

<sup>3</sup> Represents the estimate of future AllianzGI related revenue participation payments accounted for as consideration

<sup>4</sup> 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>    |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Revenues</b>                              |                  |                  |                  |                  |                  |                  |                  |
| 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            |
| <b>Total revenues</b>                        | <b>\$154,790</b> | <b>\$171,646</b> | <b>\$216,897</b> | <b>\$244,011</b> | <b>\$252,064</b> | <b>\$432,250</b> | <b>\$712,972</b> |
| <b>Operating Expenses</b>                    |                  |                  |                  |                  |                  |                  |                  |
| 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 <sup>1</sup> | 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           |
| <b>Total operating expenses</b>              | <b>\$113,781</b> | <b>\$120,715</b> | <b>\$154,755</b> | <b>\$157,600</b> | <b>\$158,782</b> | <b>\$340,017</b> | <b>\$471,137</b> |
| <b>Operating Income (Loss)</b>               | <b>\$41,009</b>  | <b>\$50,931</b>  | <b>\$62,142</b>  | <b>\$86,411</b>  | <b>\$93,282</b>  | <b>\$92,233</b>  | <b>\$241,835</b> |

\$ in thousands

<sup>1</sup> 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>    |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <b>Other Income (Expense)</b>   |                 |                 |                 |                 |                 |                 |                  |
| 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 <sup>1</sup> , 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          |
| <b>Interest Income (Expense)</b>  |                 |                 |                 |                 |                 |                 |                  |
| 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 <sup>1</sup>                          | 26,088          | 25,697          | 23,876          | 22,562          | 22,877          | 83,951          | 69,315           |
| Interest expense of CIP <sup>1</sup>                                      | (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         |
| <b>Income (Loss) Before Income Taxes</b>                                  | <b>\$52,912</b> | <b>\$75,902</b> | <b>\$67,367</b> | <b>\$98,498</b> | <b>\$98,334</b> | <b>\$87,996</b> | <b>\$264,199</b> |
| Income tax expense (benefit)  | 11,978          | 14,088          | 15,153          | 22,401          | 25,823          | 29,847          | 63,377           |
| <b>Net Income (Loss)</b>  | <b>\$40,934</b> | <b>\$61,814</b> | <b>\$52,214</b> | <b>\$76,097</b> | <b>\$72,511</b> | <b>\$58,149</b> | <b>\$200,822</b> |
| Noncontrolling interests  | (11,286)        | (18,499)        | (15,626)        | (13,130)        | (13,775)        | (21,507)        | (42,531)         |
| <b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b> | <b>\$29,648</b> | <b>\$43,315</b> | <b>\$36,588</b> | <b>\$62,967</b> | <b>\$58,736</b> | <b>\$36,642</b> | <b>\$158,291</b> |
| Weighted average shares outstanding - diluted                             | 7,997           | 8,026           | 8,052           | 8,007           | 7,984           | 7,958           | 8,028            |
| <b>Earnings (Loss) Per Share - Diluted</b>                                | <b>\$3.71</b>   | <b>\$5.40</b>   | <b>\$4.54</b>   | <b>\$7.86</b>   | <b>\$7.36</b>   | <b>\$4.60</b>   | <b>\$19.72</b>   |

\$ and shares in thousands

<sup>1</sup> 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> |
|---|------------------|-------------------|------------------|------------------|------------------|
| <b>Assets by Product</b>                |                  |                   |                  |                  |                  |
| 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            |
| <b>Total – Open-End Funds</b>           | <b>\$44,574</b>  | <b>\$50,771</b>   | <b>\$72,164</b>  | <b>\$75,333</b>  | <b>\$73,044</b>  |
| 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            |
| <b>Total – Retail Separate Accounts</b> | <b>\$24,727</b>  | <b>\$29,751</b>   | <b>\$37,244</b>  | <b>\$40,578</b>  | <b>\$41,528</b>  |
| Institutional Accounts                  | \$36,851         | \$40,861          | \$42,802         | \$45,604         | \$45,882         |
| Structured Products                     | \$4,163          | \$4,060           | \$3,985          | \$3,870          | \$3,809          |
| <b>Total</b>                            | <b>\$116,487</b> | <b>\$132,194</b>  | <b>\$168,880</b> | <b>\$178,638</b> | <b>\$177,305</b> |
| <b>Assets by Asset Class</b>            |                  |                   |                  |                  |                  |
| 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 <sup>1</sup>                | 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 <sup>2</sup>               | 4,298            | 4,760             | 5,130            | 5,793            | 5,692            |
| <i>% of total</i>                       | 3.7%             | 3.6%              | 3.0%             | 3.3%             | 3.2%             |
| <b>Total</b>                            | <b>\$116,487</b> | <b>\$132,194</b>  | <b>\$168,880</b> | <b>\$178,638</b> | <b>\$177,305</b> |

\$ in millions

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

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

# ASSETS UNDER MANAGEMENT

## BY PRODUCT AND ASSET CLASS



|                                 | <i>Open-End<br/>Funds</i> | <i>Closed-End<br/>Funds</i> | <i>Exchange<br/>Traded Funds</i> | <i>Retail Separate<br/>Accounts</i> | <i>Institutional<br/>Accounts</i> | <i>Structured<br/>Products</i> | <i>Total as of<br/>9/30/2021</i> |
|---------------------------------|---------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------------------------|--------------------------------|----------------------------------|
| <b>Equity:</b>                  |                           |                             |                                  |                                     |                                   |                                |                                  |
| 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 <sup>1</sup>   | 5,209                     | 1,028                       | 63                               | 113                                 | —                                 | —                              | 6,413                            |
| <b>Total Equity</b>             | <b>\$45,769</b>           | <b>\$1,028</b>              | <b>\$163</b>                     | <b>\$32,558</b>                     | <b>\$33,214</b>                   | <b>\$—</b>                     | <b>\$112,732</b>                 |
| <b>Fixed Income:</b>            |                           |                             |                                  |                                     |                                   |                                |                                  |
| 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                            |
| <b>Total Fixed Income</b>       | <b>\$17,519</b>           | <b>\$2,240</b>              | <b>\$586</b>                     | <b>\$2,278</b>                      | <b>\$8,808</b>                    | <b>\$3,809</b>                 | <b>\$35,240</b>                  |
| <b>Multi-Asset <sup>2</sup></b> | <b>\$8,194</b>            | <b>\$7,760</b>              | <b>\$34</b>                      | <b>\$6,692</b>                      | <b>\$961</b>                      | <b>\$—</b>                     | <b>\$23,641</b>                  |
| <b>Alternative <sup>3</sup></b> | <b>\$1,562</b>            | <b>\$693</b>                | <b>\$538</b>                     | <b>\$0</b>                          | <b>\$2,899</b>                    | <b>\$—</b>                     | <b>\$5,692</b>                   |
| <b>Total</b>                    | <b>\$73,044</b>           | <b>\$11,721</b>             | <b>\$1,321</b>                   | <b>\$41,528</b>                     | <b>\$45,882</b>                   | <b>\$3,809</b>                 | <b>\$177,305</b>                 |

\$ in millions

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

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

<sup>3</sup> 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>    |
|-----------------------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total</b>                      |                  |                   |                  |                  |                  |                  |                  |
| 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 <sup>1</sup>                | (367)            | (416)             | 29,563           | (360)            | (308)            | (871)            | 28,895           |
| <b>Ending Balance - Total</b>     | <b>\$116,487</b> | <b>\$132,194</b>  | <b>\$168,880</b> | <b>\$178,638</b> | <b>\$177,305</b> | <b>\$116,487</b> | <b>\$177,305</b> |
| <i>Inflow Rate</i> <sup>2</sup>   | 28.9 %           | 30.5 %            | 32.6 %           | 22.7 %           | 16.9 %           | 30.0 %           | 28.1 %           |
| <i>Outflow Rate</i> <sup>2</sup>  | (24.2)%          | (21.3)%           | (25.1)%          | (19.5)%          | (18.2)%          | (26.8)%          | (24.9)%          |
| <i>Net Flow Rate</i> <sup>2</sup> | 4.7 %            | 9.2 %             | 7.5 %            | 3.2 %            | (1.3)%           | 3.3 %            | 3.2 %            |

\$ in millions

<sup>1</sup> 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

<sup>2</sup> 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>   |
|------------------------------------|------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>U.S. Retail Funds</b>           |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>                 | (90)             | (255)             | 19,669           | (56)             | (76)             | (207)           | 19,537          |
| <b>Ending Balance</b>              | <b>\$42,650</b>  | <b>\$48,492</b>   | <b>\$69,730</b>  | <b>\$72,746</b>  | <b>\$70,526</b>  | <b>\$42,650</b> | <b>\$70,526</b> |
| <b>Offshore Funds <sup>2</sup></b> |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>                 | 19               | —                 | (1)              | —                | —                | 22              | (1)             |
| <b>Ending Balance</b>              | <b>\$926</b>     | <b>\$1,173</b>    | <b>\$1,343</b>   | <b>\$1,456</b>   | <b>\$1,399</b>   | <b>\$926</b>    | <b>\$1,399</b>  |

\$ in millions

<sup>1</sup> 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

<sup>2</sup> 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>   |
|---------------------------------|------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Variable Insurance Funds</b> |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>              | (1)              | —                 | —                | —                | —                | —               | —               |
| <b>Ending Balance</b>           | <b>\$998</b>     | <b>\$1,106</b>    | <b>\$1,091</b>   | <b>\$1,131</b>   | <b>\$1,119</b>   | <b>\$998</b>    | <b>\$1,119</b>  |
| <b>Total Open End Funds</b>     |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>              | (72)             | (255)             | 19,668           | (56)             | (76)             | (185)           | 19,536          |
| <b>Ending Balance</b>           | <b>\$44,574</b>  | <b>\$50,771</b>   | <b>\$72,164</b>  | <b>\$75,333</b>  | <b>\$73,044</b>  | <b>\$44,574</b> | <b>\$73,044</b> |

\$ in millions

<sup>1</sup> 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>   |
|------------------------------|------------------|-------------------|------------------|------------------|------------------|----------------|-----------------|
| <b>Closed-End Funds</b>      |                  |                   |                  |                  |                  |                |                 |
| 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 <sup>1</sup>           | (79)             | (84)              | 5,645            | (185)            | (161)            | (388)          | 5,299           |
| <b>Ending Balance</b>        | <b>\$5,629</b>   | <b>\$5,914</b>    | <b>\$11,664</b>  | <b>\$11,993</b>  | <b>\$11,721</b>  | <b>\$5,629</b> | <b>\$11,721</b> |
| <b>Exchange Traded Funds</b> |                  |                   |                  |                  |                  |                |                 |
| 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 <sup>1</sup>           | (11)             | (10)              | (12)             | (5)              | (18)             | (45)           | (35)            |
| <b>Ending Balance</b>        | <b>\$543</b>     | <b>\$837</b>      | <b>\$1,021</b>   | <b>\$1,260</b>   | <b>\$1,321</b>   | <b>\$543</b>   | <b>\$1,321</b>  |

\$ in millions

<sup>1</sup> 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>   |
|---|------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Intermediary Sold Managed Accounts</b> |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>                        | (29)             | 1                 | 3,550            | —                | —                | (28)            | 3,550           |
| <b>Ending Balance</b>                     | <b>\$19,456</b>  | <b>\$23,852</b>   | <b>\$31,133</b>  | <b>\$34,125</b>  | <b>\$34,974</b>  | <b>\$19,456</b> | <b>\$34,974</b> |
| <b>Private Client</b>                     |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>                        | 1                | (1)               | (1)              | (16)             | —                | 5               | (17)            |
| <b>Ending Balance</b>                     | <b>\$5,271</b>   | <b>\$5,899</b>    | <b>\$6,111</b>   | <b>\$6,453</b>   | <b>\$6,554</b>   | <b>\$5,271</b>  | <b>\$6,554</b>  |
| <b>Total Retail Separate Accounts</b>     |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>                        | (28)             | —                 | 3,549            | (16)             | —                | (23)            | 3,533           |
| <b>Ending Balance</b>                     | <b>\$24,727</b>  | <b>\$29,751</b>   | <b>\$37,244</b>  | <b>\$40,578</b>  | <b>\$41,528</b>  | <b>\$24,727</b> | <b>\$41,528</b> |

\$ in millions

<sup>1</sup> 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>   |
|-------------------------------|------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Institutional Accounts</b> |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>            | (135)            | (36)              | 744              | (68)             | (25)             | (101)           | 651             |
| <b>Ending Balance</b>         | <b>\$36,851</b>  | <b>\$40,861</b>   | <b>\$42,802</b>  | <b>\$45,604</b>  | <b>\$45,882</b>  | <b>\$36,851</b> | <b>\$45,882</b> |
| <b>Structured Products</b>    |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>            | (42)             | (31)              | (31)             | (30)             | (28)             | (129)           | (89)            |
| <b>Ending Balance</b>         | <b>\$4,163</b>   | <b>\$4,060</b>    | <b>\$3,985</b>   | <b>\$3,870</b>   | <b>\$3,809</b>   | <b>\$4,163</b>  | <b>\$3,809</b>  |

\$ in millions

<sup>1</sup> 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>   |
|-----------------------------|------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Domestic Equity</b>      |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>          | (277)            | (272)             | 8,372            | 19               | (5)              | (312)           | 8,386           |
| <b>Ending Balance</b>       | <b>\$53,621</b>  | <b>\$63,680</b>   | <b>\$77,155</b>  | <b>\$82,819</b>  | <b>\$83,331</b>  | <b>\$53,621</b> | <b>\$83,331</b> |
| <b>International Equity</b> |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>          | (3)              | (37)              | 1,048            | 6                | 2                | (17)            | 1,056           |
| <b>Ending Balance</b>       | <b>\$9,847</b>   | <b>\$11,629</b>   | <b>\$12,993</b>  | <b>\$13,616</b>  | <b>\$11,979</b>  | <b>\$9,847</b>  | <b>\$11,979</b> |

\$ in millions

<sup>1</sup> 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>    |
|--------------------------------------|------------------|-------------------|------------------|------------------|------------------|-----------------|------------------|
| <b>Global Equity</b>                 |                  |                   |                  |                  |                  |                 |                  |
| 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 <sup>2</sup>                   | 1                | 2                 | 87               | 2                | 1                | 3               | 90               |
| <b>Ending Balance</b>                | <b>\$8,299</b>   | <b>\$9,512</b>    | <b>\$9,681</b>   | <b>\$10,623</b>  | <b>\$11,009</b>  | <b>\$8,299</b>  | <b>\$11,009</b>  |
| <b>Specialty Equity <sup>1</sup></b> |                  |                   |                  |                  |                  |                 |                  |
| 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 <sup>2</sup>                   | (10)             | (27)              | 4,941            | (18)             | (10)             | (8)             | 4,913            |
| <b>Ending Balance</b>                | <b>\$1,044</b>   | <b>\$1,447</b>    | <b>\$6,354</b>   | <b>\$6,693</b>   | <b>\$6,413</b>   | <b>\$1,044</b>  | <b>\$6,413</b>   |
| <b>Total Equity</b>                  |                  |                   |                  |                  |                  |                 |                  |
| 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 <sup>2</sup>                   | (289)            | (334)             | 14,448           | 9                | (12)             | (334)           | 14,445           |
| <b>Ending Balance</b>                | <b>\$72,811</b>  | <b>\$86,268</b>   | <b>\$106,183</b> | <b>\$113,751</b> | <b>\$112,732</b> | <b>\$72,811</b> | <b>\$112,732</b> |

\$ in millions

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

<sup>2</sup> 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>   |
|--------------------------|------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Leveraged Finance</b> |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>       | (24)             | (45)              | 812              | (32)             | (43)             | (154)           | 737             |
| <b>Ending Balance</b>    | <b>\$10,529</b>  | <b>\$10,730</b>   | <b>\$11,981</b>  | <b>\$12,270</b>  | <b>\$12,210</b>  | <b>\$10,529</b> | <b>\$12,210</b> |
| <b>Multi-Sector</b>      |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>       | (13)             | (19)              | 41               | (25)             | (20)             | (109)           | (4)             |
| <b>Ending Balance</b>    | <b>\$8,825</b>   | <b>\$9,128</b>    | <b>\$9,428</b>   | <b>\$9,567</b>   | <b>\$9,690</b>   | <b>\$8,825</b>  | <b>\$9,690</b>  |

\$ in millions

<sup>1</sup> 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>   |
|---------------------------|------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Investment Grade</b>   |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>        | (11)             | (41)              | (248)            | (95)             | (22)             | 91              | (365)           |
| <b>Ending Balance</b>     | <b>\$8,778</b>   | <b>\$8,883</b>    | <b>\$8,509</b>   | <b>\$8,245</b>   | <b>\$7,924</b>   | <b>\$8,778</b>  | <b>\$7,924</b>  |
| <b>Hybrid</b>             |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>        | (4)              | (4)               | 4,760            | (32)             | (33)             | (7)             | 4,695           |
| <b>Ending Balance</b>     | <b>\$141</b>     | <b>\$224</b>      | <b>\$5,151</b>   | <b>\$5,344</b>   | <b>\$5,416</b>   | <b>\$141</b>    | <b>\$5,416</b>  |
| <b>Total Fixed Income</b> |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>1</sup>        | (52)             | (109)             | 5,365            | (184)            | (118)            | (179)           | 5,063           |
| <b>Ending Balance</b>     | <b>\$28,273</b>  | <b>\$28,965</b>   | <b>\$35,069</b>  | <b>\$35,426</b>  | <b>\$35,240</b>  | <b>\$28,273</b> | <b>\$35,240</b> |

\$ in millions

<sup>1</sup> 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>   |
|---------------------------------|------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Multi-Asset <sup>1</sup></b> |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>2</sup>              | (82)             | 52                | 9,728            | (161)            | (154)            | (236)           | 9,413           |
| <b>Ending Balance</b>           | <b>\$11,105</b>  | <b>\$12,201</b>   | <b>\$22,498</b>  | <b>\$23,668</b>  | <b>\$23,641</b>  | <b>\$11,105</b> | <b>\$23,641</b> |
| <b>Alternative <sup>3</sup></b> |                  |                   |                  |                  |                  |                 |                 |
| 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 <sup>2</sup>              | 56               | (25)              | 22               | (24)             | (24)             | (122)           | (26)            |
| <b>Ending Balance</b>           | <b>\$4,298</b>   | <b>\$4,760</b>    | <b>\$5,130</b>   | <b>\$5,793</b>   | <b>\$5,692</b>   | <b>\$4,298</b>  | <b>\$5,692</b>  |

\$ in millions

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

<sup>2</sup> 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

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

# INVESTMENT MANAGEMENT FEES

## AVERAGE ASSETS <sup>1</sup> 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          |
| <b>Total – Open-End Funds</b>           | <b>\$43,603</b>  | <b>\$47,782</b>  | <b>\$66,247</b>  | <b>\$74,126</b>  | <b>\$75,073</b>  | <b>\$41,258</b>  | <b>\$71,816</b>  |
| 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          |
| <b>Total – Retail Separate Accounts</b> | <b>\$22,054</b>  | <b>\$24,727</b>  | <b>\$32,118</b>  | <b>\$37,244</b>  | <b>\$40,578</b>  | <b>\$20,043</b>  | <b>\$36,647</b>  |
| 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          |
| <b>Total</b>                            | <b>\$112,890</b> | <b>\$121,096</b> | <b>\$154,344</b> | <b>\$172,878</b> | <b>\$179,579</b> | <b>\$105,651</b> | <b>\$168,934</b> |

\$ in millions

<sup>1</sup> 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 <sup>1</sup> BY PRODUCT (IN BASIS POINTS)



|   | Q3:20       | Q4:20       | Q1:21       | Q2:21       | Q3:21       | YTD:20      | YTD:21      |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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 <sup>2</sup> , 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 <sup>3</sup>                 | 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)       |
| <b>Total Assets, Net</b>                  | <b>43.1</b> | <b>44.9</b> | <b>43.1</b> | <b>42.5</b> | <b>42.0</b> | <b>42.9</b> | <b>42.5</b> |

<sup>1</sup> 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

<sup>2</sup> 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

<sup>3</sup> 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 |                                   |                                  |                             |                | Non-GAAP Basis |
|---|------------------|----------------------------------|-------------------|-----------------------------------|----------------------------------|-----------------------------|----------------|----------------|
|   | U.S. GAAP Basis  | Consolidated investment products | Revenue related   | Amortization of intangible assets | Seed capital and CLO investments | Acquisition and integration | Other          |                |
| <b>Revenues</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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          |
| <b>Total revenues</b>   | <b>252,064</b>   | <b>2,298</b>                     | <b>(36,692)</b>   | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>       | <b>217,670</b> |
| <b>Operating Expenses</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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)                          | —                                | —                           | —              | —              |
| <b>Total operating expenses</b>   | <b>158,782</b>   | <b>(639)</b>                     | <b>(36,692)</b>   | <b>(10,391)</b>                   | <b>—</b>                         | <b>(2,271)</b>              | <b>(1,230)</b> | <b>107,559</b> |
| <b>Operating Income (Loss)</b>  | <b>93,282</b>    | <b>2,937</b>                     | <b>—</b>          | <b>10,391</b>                     | <b>—</b>                         | <b>2,271</b>                | <b>1,230</b>   | <b>110,111</b> |
| <b>Other Income (Expense)</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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          |
| <b>Total other income (expense), net</b>                                  | <b>(2,304)</b>   | <b>5,439</b>                     | <b>—</b>          | <b>—</b>                          | <b>(2,110)</b>                   | <b>—</b>                    | <b>—</b>       | <b>1,025</b>   |
| <b>Interest Income (Expense)</b>  |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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                           | —                 | —                                 | —                                | —                           | —              | —              |
| <b>Total interest income (expense), net</b>                               | <b>7,356</b>     | <b>(8,691)</b>                   | <b>—</b>          | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>180</b>     | <b>(1,155)</b> |
| <b>Income (Loss) Before Income Taxes</b>                                  | <b>98,334</b>    | <b>(315)</b>                     | <b>—</b>          | <b>10,391</b>                     | <b>(2,110)</b>                   | <b>2,271</b>                | <b>1,410</b>   | <b>109,981</b> |
| Income tax expense (benefit)  | 25,823           | —                                | —                 | 2,751                             | (779)                            | 601                         | 717            | 29,113         |
| <b>Net Income (Loss)</b>  | <b>72,511</b>    | <b>(315)</b>                     | <b>—</b>          | <b>7,640</b>                      | <b>(1,331)</b>                   | <b>1,670</b>                | <b>693</b>     | <b>80,868</b>  |
| Noncontrolling interests  | (13,775)         | 315                              | —                 | (736)                             | —                                | —                           | 10,841         | (3,355)        |
| <b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b> | <b>58,736</b>    | <b>—</b>                         | <b>—</b>          | <b>6,904</b>                      | <b>(1,331)</b>                   | <b>1,670</b>                | <b>11,534</b>  | <b>77,513</b>  |
| Earnings (Loss) Per Share - Diluted                                       | 7.36             | —                                | —                 | 6.904                             | (1.331)                          | 1.670                       | 11.534         | 9.71           |
| Weighted Average Shares Outstanding - Diluted                             | 7,984            | —                                | —                 | 7,984                             | 7,984                            | 7,984                       | 7,984          | 7,984          |

# RECONCILIATION: U.S. GAAP TO NON-GAAP

Q2 2021<sub>(UNAUDITED)</sub>



|   | Reclassification |                                  | Other adjustments |                                   |                                  |                             | Non-GAAP Basis |                |
|---|------------------|----------------------------------|-------------------|-----------------------------------|----------------------------------|-----------------------------|----------------|----------------|
|   | U.S. GAAP Basis  | Consolidated investment products | Revenue related   | Amortization of intangible assets | Seed capital and CLO investments | Acquisition and integration |                | Other          |
| <b>Revenues</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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          |
| <b>Total revenues</b>   | <b>244,011</b>   | <b>2,340</b>                     | <b>(36,021)</b>   | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>       | <b>210,330</b> |
| <b>Operating Expenses</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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)                          | —                                | —                           | —              | —              |
| <b>Total operating expenses</b>   | <b>157,600</b>   | <b>(659)</b>                     | <b>(36,021)</b>   | <b>(10,363)</b>                   | <b>—</b>                         | <b>(2,667)</b>              | <b>(494)</b>   | <b>107,396</b> |
| <b>Operating Income (Loss)</b>  | <b>86,411</b>    | <b>2,999</b>                     | <b>—</b>          | <b>10,363</b>                     | <b>—</b>                         | <b>2,667</b>                | <b>494</b>     | <b>102,934</b> |
| <b>Other Income (Expense)</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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            |
| <b>Total other income (expense), net</b>                                  | <b>6,067</b>     | <b>2,960</b>                     | <b>—</b>          | <b>—</b>                          | <b>(7,725)</b>                   | <b>—</b>                    | <b>—</b>       | <b>1,302</b>   |
| <b>Interest Income (Expense)</b>  |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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                           | —                 | —                                 | —                                | —                           | —              | —              |
| <b>Total interest income (expense), net</b>                               | <b>6,020</b>     | <b>(7,191)</b>                   | <b>—</b>          | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>       | <b>(1,171)</b> |
| <b>Income (Loss) Before Income Taxes</b>                                  | <b>98,498</b>    | <b>(1,232)</b>                   | <b>—</b>          | <b>10,363</b>                     | <b>(7,725)</b>                   | <b>2,667</b>                | <b>494</b>     | <b>103,065</b> |
| Income tax expense (benefit)  | 22,401           | —                                | —                 | 2,754                             | (521)                            | 709                         | 2,051          | 27,394         |
| <b>Net Income (Loss)</b>  | <b>76,097</b>    | <b>(1,232)</b>                   | <b>—</b>          | <b>7,609</b>                      | <b>(7,204)</b>                   | <b>1,958</b>                | <b>(1,557)</b> | <b>75,671</b>  |
| Noncontrolling interests  | (13,130)         | 1,232                            | —                 | (736)                             | —                                | —                           | 9,624          | (3,010)        |
| <b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b> | <b>62,967</b>    | <b>—</b>                         | <b>—</b>          | <b>6,873</b>                      | <b>(7,204)</b>                   | <b>1,958</b>                | <b>8,067</b>   | <b>72,661</b>  |
| 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 |                                   |                                  |                             | Non-GAAP Basis |                |
|---|------------------|----------------------------------|-------------------|-----------------------------------|----------------------------------|-----------------------------|----------------|----------------|
|   | U.S. GAAP Basis  | Consolidated investment products | Revenue related   | Amortization of intangible assets | Seed capital and CLO investments | Acquisition and integration |                | Other          |
| <b>Revenues</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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            |
| <b>Total revenues</b>   | <b>216,897</b>   | <b>2,673</b>                     | <b>(32,294)</b>   | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>       | <b>187,276</b> |
| <b>Operating Expenses</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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)                           | —                                | —                           | —              | —              |
| <b>Total operating expenses</b>   | <b>154,755</b>   | <b>(559)</b>                     | <b>(32,294)</b>   | <b>(9,465)</b>                    | <b>—</b>                         | <b>(2,647)</b>              | <b>(480)</b>   | <b>109,310</b> |
| <b>Operating Income (Loss)</b>  | <b>62,142</b>    | <b>3,232</b>                     | <b>—</b>          | <b>9,465</b>                      | <b>—</b>                         | <b>2,647</b>                | <b>480</b>     | <b>77,966</b>  |
| <b>Other Income (Expense)</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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          |
| <b>Total other income (expense), net</b>                                  | <b>(2,025)</b>   | <b>5,256</b>                     | <b>—</b>          | <b>—</b>                          | <b>(1,533)</b>                   | <b>—</b>                    | <b>—</b>       | <b>1,698</b>   |
| <b>Interest Income (Expense)</b>  |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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                           | —                 | —                                 | —                                | —                           | —              | —              |
| <b>Total interest income (expense), net</b>                               | <b>7,250</b>     | <b>(8,518)</b>                   | <b>—</b>          | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>       | <b>(1,268)</b> |
| <b>Income (Loss) Before Income Taxes</b>                                  | <b>67,367</b>    | <b>(30)</b>                      | <b>—</b>          | <b>9,465</b>                      | <b>(1,533)</b>                   | <b>2,647</b>                | <b>480</b>     | <b>78,396</b>  |
| Income tax expense (benefit)  | 15,153           | —                                | —                 | 2,528                             | (377)                            | 707                         | 2,931          | 20,942         |
| <b>Net Income (Loss)</b>  | <b>52,214</b>    | <b>(30)</b>                      | <b>—</b>          | <b>6,937</b>                      | <b>(1,156)</b>                   | <b>1,940</b>                | <b>(2,451)</b> | <b>57,454</b>  |
| Noncontrolling interests  | (15,626)         | 30                               | —                 | (736)                             | —                                | —                           | 13,498         | (2,834)        |
| <b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b> | <b>36,588</b>    | <b>—</b>                         | <b>—</b>          | <b>6,201</b>                      | <b>(1,156)</b>                   | <b>1,940</b>                | <b>11,047</b>  | <b>54,620</b>  |
| 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 |                                   |                                  |                             |               | Non-GAAP Basis |
|---|------------------|----------------------------------|-------------------|-----------------------------------|----------------------------------|-----------------------------|---------------|----------------|
|   | U.S. GAAP Basis  | Consolidated investment products | Revenue related   | Amortization of intangible assets | Seed capital and CLO investments | Acquisition and integration | Other         |                |
| <b>Revenues</b>   |                  |                                  |                   |                                   |                                  |                             |               |                |
| 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            |
| <b>Total revenues</b>   | <b>171,646</b>   | <b>2,581</b>                     | <b>(20,686)</b>   | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>      | <b>153,541</b> |
| <b>Operating Expenses</b>   |                  |                                  |                   |                                   |                                  |                             |               |                |
| 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)                           | —                                | —                           | —             | —              |
| <b>Total operating expenses</b>   | <b>120,715</b>   | <b>(641)</b>                     | <b>(20,686)</b>   | <b>(7,529)</b>                    | <b>—</b>                         | <b>344</b>                  | <b>(580)</b>  | <b>91,623</b>  |
| <b>Operating Income (Loss)</b>  | <b>50,931</b>    | <b>3,222</b>                     | <b>—</b>          | <b>7,529</b>                      | <b>—</b>                         | <b>(344)</b>                | <b>580</b>    | <b>61,918</b>  |
| <b>Other Income (Expense)</b>   |                  |                                  |                   |                                   |                                  |                             |               |                |
| 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          |
| <b>Total other income (expense), net</b>                                  | <b>16,909</b>    | <b>3,106</b>                     | <b>—</b>          | <b>—</b>                          | <b>(18,798)</b>                  | <b>—</b>                    | <b>—</b>      | <b>1,217</b>   |
| <b>Interest Income (Expense)</b>  |                  |                                  |                   |                                   |                                  |                             |               |                |
| 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                           | —                 | —                                 | —                                | —                           | —             | —              |
| <b>Total interest income (expense), net</b>                               | <b>8,062</b>     | <b>(9,620)</b>                   | <b>—</b>          | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>      | <b>(1,558)</b> |
| <b>Income (Loss) Before Income Taxes</b>                                  | <b>75,902</b>    | <b>(3,292)</b>                   | <b>—</b>          | <b>7,529</b>                      | <b>(18,798)</b>                  | <b>(344)</b>                | <b>580</b>    | <b>61,577</b>  |
| Income tax expense (benefit)  | 14,088           | —                                | —                 | 2,055                             | 49                               | (94)                        | 706           | 16,804         |
| <b>Net Income (Loss)</b>  | <b>61,814</b>    | <b>(3,292)</b>                   | <b>—</b>          | <b>5,474</b>                      | <b>(18,847)</b>                  | <b>(250)</b>                | <b>(126)</b>  | <b>44,773</b>  |
| Noncontrolling interests  | (18,499)         | 3,292                            | —                 | (735)                             | —                                | —                           | 12,531        | (3,411)        |
| <b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b> | <b>43,315</b>    | <b>—</b>                         | <b>—</b>          | <b>4,739</b>                      | <b>(18,847)</b>                  | <b>(250)</b>                | <b>12,405</b> | <b>41,362</b>  |
| 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 |                             |                                   |                                  |                             |              | Non-GAAP Basis |
|---|------------------|----------------------------------|-------------------|-----------------------------|-----------------------------------|----------------------------------|-----------------------------|--------------|----------------|
|   | 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        |                |
| <b>Revenues</b>   |                  |                                  |                   |                             |                                   |                                  |                             |              |                |
| 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             |
| <b>Total revenues</b>   | <b>154,790</b>   | <b>2,413</b>                     | <b>(19,570)</b>   | <b>—</b>                    | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>     | <b>137,633</b> |
| <b>Operating Expenses</b>   |                  |                                  |                   |                             |                                   |                                  |                             |              |                |
| 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)                           | —                                | —                           | —            | —              |
| <b>Total operating expenses</b>   | <b>113,781</b>   | <b>(1,016)</b>                   | <b>(19,570)</b>   | <b>(735)</b>                | <b>(7,532)</b>                    | <b>—</b>                         | <b>(999)</b>                | <b>(368)</b> | <b>83,561</b>  |
| <b>Operating Income (Loss)</b>  | <b>41,009</b>    | <b>3,429</b>                     | <b>—</b>          | <b>735</b>                  | <b>7,532</b>                      | <b>—</b>                         | <b>999</b>                  | <b>368</b>   | <b>54,072</b>  |
| <b>Other Income (Expense)</b>   |                  |                                  |                   |                             |                                   |                                  |                             |              |                |
| 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            |
| <b>Total other income (expense), net</b>                                  | <b>6,177</b>     | <b>3,490</b>                     | <b>—</b>          | <b>—</b>                    | <b>—</b>                          | <b>(8,873)</b>                   | <b>—</b>                    | <b>—</b>     | <b>794</b>     |
| <b>Interest Income (Expense)</b>  |                  |                                  |                   |                             |                                   |                                  |                             |              |                |
| 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)         | 17,622                           | —                 | —                           | —                                 | —                                | —                           | —            | —              |
| <b>Total interest income (expense), net</b>                               | <b>5,726</b>     | <b>(7,825)</b>                   | <b>—</b>          | <b>—</b>                    | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>     | <b>(2,099)</b> |
| <b>Income (Loss) Before Income Taxes</b>                                  | <b>52,912</b>    | <b>(906)</b>                     | <b>—</b>          | <b>735</b>                  | <b>7,532</b>                      | <b>(8,873)</b>                   | <b>999</b>                  | <b>368</b>   | <b>52,767</b>  |
| Income tax expense (benefit)  | 11,978           | —                                | —                 | 201                         | 2,057                             | (963)                            | 273                         | 868          | 14,414         |
| <b>Net Income (Loss)</b>  | <b>40,934</b>    | <b>(906)</b>                     | <b>—</b>          | <b>534</b>                  | <b>5,475</b>                      | <b>(7,910)</b>                   | <b>726</b>                  | <b>(500)</b> | <b>38,353</b>  |
| Noncontrolling interests  | (11,286)         | 906                              | —                 | —                           | (736)                             | —                                | —                           | 8,684        | (2,432)        |
| <b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b> | <b>29,648</b>    | <b>—</b>                         | <b>—</b>          | <b>534</b>                  | <b>4,739</b>                      | <b>(7,910)</b>                   | <b>726</b>                  | <b>8,184</b> | <b>35,921</b>  |
| 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 |                                   |                                  |                             |                | Non-GAAP Basis |
|---|------------------|----------------------------------|-------------------|-----------------------------------|----------------------------------|-----------------------------|----------------|----------------|
|   | U.S. GAAP Basis  | Consolidated investment products | Revenue related   | Amortization of intangible assets | Seed capital and CLO investments | Acquisition and integration | Other          |                |
| <b>Revenues</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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          |
| <b>Total revenues</b>   | <b>712,972</b>   | <b>7,311</b>                     | <b>(105,007)</b>  | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>       | <b>615,276</b> |
| <b>Operating Expenses</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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)                          | —                                | —                           | —              | —              |
| <b>Total operating expenses</b>   | <b>471,137</b>   | <b>(1,857)</b>                   | <b>(105,007)</b>  | <b>(30,219)</b>                   | <b>—</b>                         | <b>(7,585)</b>              | <b>(2,204)</b> | <b>324,265</b> |
| <b>Operating Income (Loss)</b>  | <b>241,835</b>   | <b>9,168</b>                     | <b>—</b>          | <b>30,219</b>                     | <b>—</b>                         | <b>7,585</b>                | <b>2,204</b>   | <b>291,011</b> |
| <b>Other Income (Expense)</b>   |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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          |
| <b>Total other income (expense), net</b>                                  | <b>1,738</b>     | <b>13,655</b>                    | <b>—</b>          | <b>—</b>                          | <b>(11,368)</b>                  | <b>—</b>                    | <b>—</b>       | <b>4,025</b>   |
| <b>Interest Income (Expense)</b>  |                  |                                  |                   |                                   |                                  |                             |                |                |
| 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                           | —                 | —                                 | —                                | —                           | —              | —              |
| <b>Total interest income (expense), net</b>                               | <b>20,626</b>    | <b>(24,400)</b>                  | <b>—</b>          | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>180</b>     | <b>(3,594)</b> |
| <b>Income (Loss) Before Income Taxes</b>                                  | <b>264,199</b>   | <b>(1,577)</b>                   | <b>—</b>          | <b>30,219</b>                     | <b>(11,368)</b>                  | <b>7,585</b>                | <b>2,384</b>   | <b>291,442</b> |
| Income tax expense (benefit)  | 63,377           | —                                | —                 | 8,033                             | (1,677)                          | 2,017                       | 5,699          | 77,449         |
| <b>Net Income (Loss)</b>  | <b>200,822</b>   | <b>(1,577)</b>                   | <b>—</b>          | <b>22,186</b>                     | <b>(9,691)</b>                   | <b>5,568</b>                | <b>(3,315)</b> | <b>213,993</b> |
| Noncontrolling interests  | (42,531)         | 1,577                            | —                 | (2,208)                           | —                                | —                           | 33,963         | (9,199)        |
| <b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b> | <b>158,291</b>   | <b>—</b>                         | <b>—</b>          | <b>19,978</b>                     | <b>(9,691)</b>                   | <b>5,568</b>                | <b>30,648</b>  | <b>204,794</b> |
| 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 |                             |                                   |                                  |                             | Non-GAAP Basis |                |
|---|------------------|----------------------------------|-------------------|-----------------------------|-----------------------------------|----------------------------------|-----------------------------|----------------|----------------|
|   | 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          |
| <b>Revenues</b>   |                  |                                  |                   |                             |                                   |                                  |                             |                |                |
| 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            |
| <b>Total revenues</b>   | <b>432,250</b>   | <b>6,891</b>                     | <b>(56,324)</b>   | <b>—</b>                    | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>—</b>       | <b>382,817</b> |
| <b>Operating Expenses</b>   |                  |                                  |                   |                             |                                   |                                  |                             |                |                |
| 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)                          | —                                | —                           | —              | —              |
| <b>Total operating expenses</b>   | <b>340,017</b>   | <b>(9,944)</b>                   | <b>(56,324)</b>   | <b>(1,155)</b>              | <b>(22,598)</b>                   | <b>—</b>                         | <b>(1,170)</b>              | <b>(609)</b>   | <b>248,217</b> |
| <b>Operating Income (Loss)</b>  | <b>92,233</b>    | <b>16,835</b>                    | <b>—</b>          | <b>1,155</b>                | <b>22,598</b>                     | <b>—</b>                         | <b>1,170</b>                | <b>609</b>     | <b>134,600</b> |
| <b>Other Income (Expense)</b>   |                  |                                  |                   |                             |                                   |                                  |                             |                |                |
| 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            |
| <b>Total other income (expense), net</b>                                  | <b>(9,859)</b>   | <b>(6,314)</b>                   | <b>—</b>          | <b>—</b>                    | <b>—</b>                          | <b>16,239</b>                    | <b>—</b>                    | <b>—</b>       | <b>66</b>      |
| <b>Interest Income (Expense)</b>  |                  |                                  |                   |                             |                                   |                                  |                             |                |                |
| 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                           | —                 | —                           | —                                 | —                                | —                           | —              | —              |
| <b>Total interest income (expense), net</b>                               | <b>5,622</b>     | <b>(9,525)</b>                   | <b>—</b>          | <b>—</b>                    | <b>—</b>                          | <b>—</b>                         | <b>—</b>                    | <b>(704)</b>   | <b>(4,607)</b> |
| <b>Income (Loss) Before Income Taxes</b>                                  | <b>87,996</b>    | <b>996</b>                       | <b>—</b>          | <b>1,155</b>                | <b>22,598</b>                     | <b>16,239</b>                    | <b>1,170</b>                | <b>(95)</b>    | <b>130,059</b> |
| Income tax expense (benefit)  | 29,847           | —                                | —                 | 316                         | 6,308                             | 349                              | 307                         | (890)          | 36,237         |
| <b>Net Income (Loss)</b>  | <b>58,149</b>    | <b>996</b>                       | <b>—</b>          | <b>839</b>                  | <b>16,290</b>                     | <b>15,890</b>                    | <b>863</b>                  | <b>795</b>     | <b>93,822</b>  |
| Noncontrolling interests  | (21,507)         | (996)                            | —                 | —                           | (2,219)                           | —                                | —                           | 18,852         | (5,870)        |
| <b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b> | <b>36,642</b>    | <b>—</b>                         | <b>—</b>          | <b>839</b>                  | <b>14,071</b>                     | <b>15,890</b>                    | <b>863</b>                  | <b>19,647</b>  | <b>87,952</b>  |
| 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>   |
|---|----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|
| <b>Acquisition and Integration Expenses</b>                 |                |                 |                 |                |                 |                 |                 |
| Employment expenses   | \$999          | \$(515)         | \$867           | \$615          | \$429           | \$1,170         | \$1,911         |
| Other operating expenses                                    | —              | 171             | 1,780           | 2,052          | 1,842           | —               | 5,674           |
| <b>Total Acquisition and Integration Operating Expenses</b> | <b>\$999</b>   | <b>\$(344)</b>  | <b>\$2,647</b>  | <b>\$2,667</b> | <b>\$2,271</b>  | <b>\$1,170</b>  | <b>\$7,585</b>  |
|   | <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>   |
| <b>Other</b>  |                |                 |                 |                |                 |                 |                 |
| 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          |
| <b>Total Other</b>  | <b>\$8,184</b> | <b>\$12,405</b> | <b>\$11,047</b> | <b>\$8,067</b> | <b>\$11,534</b> | <b>\$19,647</b> | <b>\$30,648</b> |

\$ in thousands

