

# 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 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 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
- 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 \$2.4 billion<sup>1</sup> (NASDAQ: VRTS)
- Managing \$201.9 billion<sup>2</sup> in a multi-boutique structure
  - Flexible model with offerings from affiliated managers and select subadvisers
  - Strong retail distribution and U.S. and non-U.S. institutional distribution support
  - Shared operations and business support services
- Investment strategies available in multiple product forms:
  - Open-end mutual funds
  - Closed-end funds
  - UCITS/QAIAFs
  - Exchange traded funds
  - Retail separate accounts
  - Institutional accounts
  - Collective investment trusts
  - Structured products

<sup>1</sup> As of December 31, 2021

<sup>2</sup> Pro forma as of December 31, 2021 for acquisition of Stone Harbor completed January 1, 2022

### **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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### **Extensive Distribution Capabilities**

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- Provides one-point access to distinctive investment capabilities
  - Relationships with a broad network of intermediaries, consultants and institutional clients
  - 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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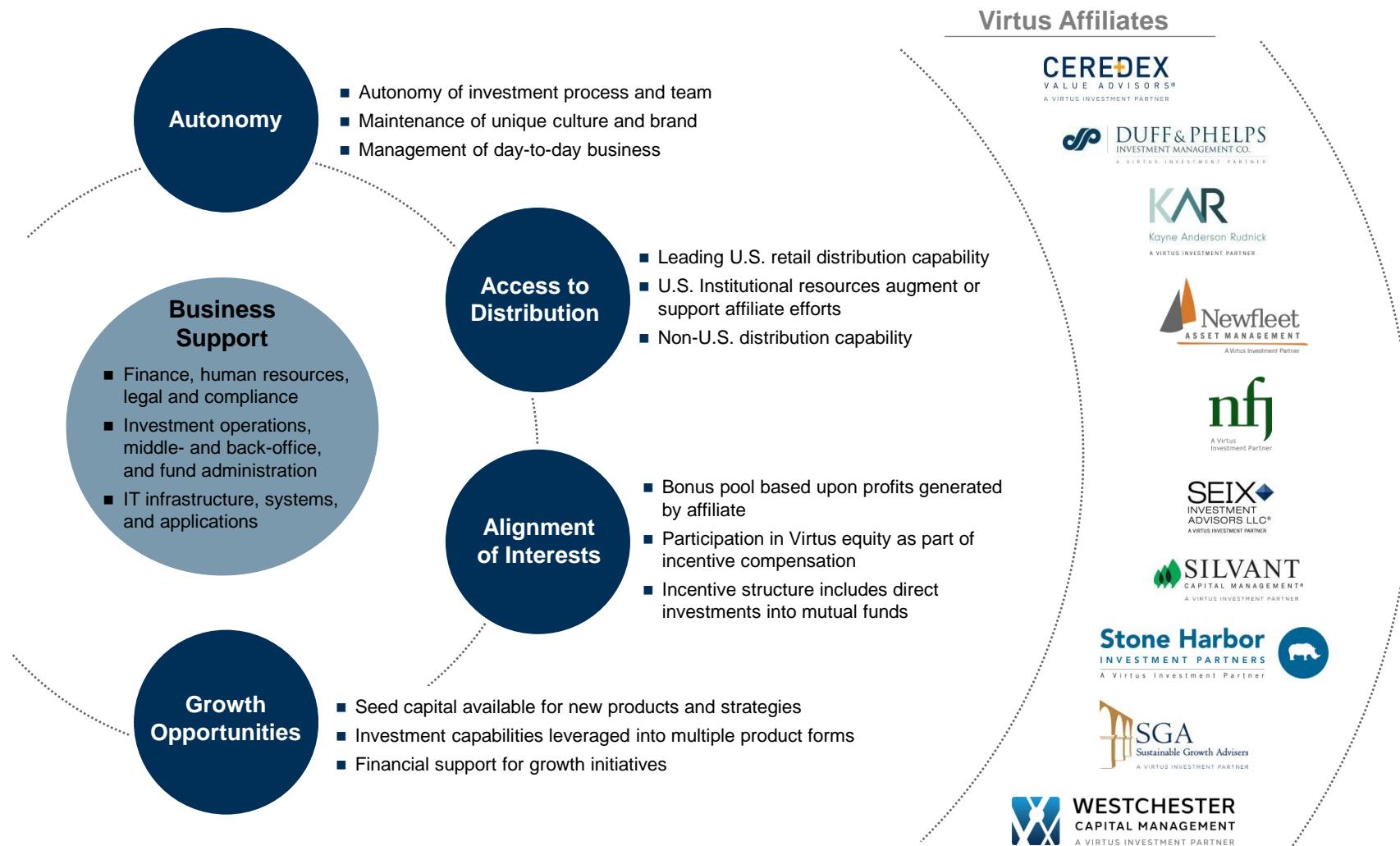
### **Greater Growth Opportunities**

- 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><b>CEREDEX</b> VALUE ADVISORS® A VIRTUS INVESTMENT PARTNER</p> <p>HEADQUARTERS <b>Orlando, FL</b></p> <p>FOUNDED <b>1995</b></p> <p>AUM <b>\$9.9</b></p> <p>INVESTMENT STYLE <b>Value equities</b></p> <p>INVESTMENT PROFESSIONALS <b>13</b></p>	 <p><b>DUFF &amp; PHELPS</b> INVESTMENT MANAGEMENT CO. A VIRTUS INVESTMENT PARTNER</p> <p>HEADQUARTERS <b>Chicago, IL</b></p> <p>FOUNDED <b>1932</b></p> <p>AUM <b>\$12.2</b></p> <p>INVESTMENT STYLE <b>Income-focused equities</b></p> <p>INVESTMENT PROFESSIONALS <b>25</b></p>	 <p><b>KAR</b> Kayne Anderson Rudnick A VIRTUS INVESTMENT PARTNER</p> <p>HEADQUARTERS <b>Los Angeles, CA</b></p> <p>FOUNDED <b>1984</b></p> <p>AUM <b>\$64.9</b></p> <p>INVESTMENT STYLE <b>Quality-oriented equities</b></p> <p>INVESTMENT PROFESSIONALS <b>35</b></p>	 <p><b>Newfleet</b> ASSET MANAGEMENT A VIRTUS INVESTMENT PARTNER</p> <p>HEADQUARTERS <b>Hartford, CT</b></p> <p>FOUNDED <b>2011</b></p> <p>AUM <b>\$9.9</b></p> <p>INVESTMENT STYLE <b>Multi-sector fixed income</b></p> <p>INVESTMENT PROFESSIONALS <b>27</b></p>	 <p><b>nfi</b> A Virtus Investment Partner</p> <p>HEADQUARTERS <b>Dallas, TX</b></p> <p>FOUNDED <b>1989</b></p> <p>AUM <b>\$9.0</b></p> <p>INVESTMENT STYLE <b>Global value equities</b></p> <p>INVESTMENT PROFESSIONALS <b>10</b></p>
 <p><b>SEIX</b> INVESTMENT ADVISORS LLC® A VIRTUS INVESTMENT PARTNER</p> <p>HEADQUARTERS <b>Park Ridge, NJ</b></p> <p>FOUNDED <b>1992</b></p> <p>AUM <b>\$17.6</b></p> <p>INVESTMENT STYLE <b>Investment grade and leveraged finance fixed income</b></p> <p>INVESTMENT PROFESSIONALS <b>46</b></p>	 <p><b>SILVANT</b> CAPITAL MANAGEMENT® A VIRTUS INVESTMENT PARTNER</p> <p>HEADQUARTERS <b>Atlanta, GA</b></p> <p>FOUNDED <b>2008</b></p> <p>AUM <b>\$0.9</b></p> <p>INVESTMENT STYLE <b>Growth equities</b></p> <p>INVESTMENT PROFESSIONALS <b>7</b></p>	 <p><b>Stone Harbor</b> INVESTMENT PARTNERS A Virtus Investment Partner</p> <p>HEADQUARTERS <b>New York, NY</b></p> <p>FOUNDED <b>2006</b></p> <p>AUM <b>\$14.7</b></p> <p>INVESTMENT STYLE <b>Emerging markets debt and multi-asset credit</b></p> <p>INVESTMENT PROFESSIONALS <b>26</b></p>	 <p><b>SGA</b> Sustainable Growth Advisers A VIRTUS INVESTMENT PARTNER</p> <p>HEADQUARTERS <b>Stamford, CT</b></p> <p>FOUNDED <b>2003</b></p> <p>AUM <b>\$26.7</b></p> <p>INVESTMENT STYLE <b>Global growth equities</b></p> <p>INVESTMENT PROFESSIONALS <b>19</b></p>	 <p><b>WESTCHESTER</b> CAPITAL MANAGEMENT A VIRTUS INVESTMENT PARTNER</p> <p>HEADQUARTERS <b>Valhalla, NY</b></p> <p>FOUNDED <b>1989</b></p> <p>AUM <b>\$5.1</b></p> <p>INVESTMENT STYLE <b>Event-driven equity</b></p> <p>INVESTMENT PROFESSIONALS <b>7</b></p>

# MULTI-BOUTIQUE MODEL

## MULTI-ASSET MANAGER



### AFFILIATES



*Value Equity*



*Income-Focused Equity*



Kayne Anderson Rudnick  
A VIRTUS INVESTMENT PARTNER

*Quality-Oriented Equity*



*Multi-Sector  
Fixed Income*



A Virtus  
Investment Partner

*Global Value Equity*



A VIRTUS INVESTMENT PARTNER

*Investment Grade and  
Leveraged Finance Fixed Income*



*Growth Equity*



A Virtus Investment Partner

*Emerging Markets Debt*



Sustainable Growth Advisers  
A VIRTUS INVESTMENT PARTNER

*Global Growth Equity*



WESTCHESTER  
CAPITAL MANAGEMENT  
A VIRTUS INVESTMENT PARTNER

*Event-Driven Equity*



### SUBADVISERS



Global Investors

*Multi-Asset and Thematic*



*International Growth Equity*



zevenbergen capital investments

*High-Growth Equity*



*Risk-Based Quantitative*



*Income-Focused Equity*



*Systematic Quantitative*

As of January 1, 2022

<sup>1</sup> Virtus has a minority ownership position in Zevenbergen Capital Investments

## 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
<b>November 2010</b>	■ Adopts Phoenix Edge Series Trust, a variable insurance trust (VIT), from The Phoenix Companies	■ Establishes a proprietary Virtus VIT, expanding distribution opportunities in the insurance and retirement channels
<b>June 2011</b>	■ Establishes Newfleet Asset Management affiliate via team lift out	■ Adds dedicated fixed income affiliate with successful track record to expand in the retail and institutional channels
<b>October 2011</b>	■ Adopts DCA Total Return Fund	■ Expands closed-end fund offerings
<b>April 2015</b>	■ Acquires majority interest in ETF Issuer Solutions	■ Establishes proprietary ETF capabilities, adds active and passive ETF products
<b>June 2017</b>	■ Acquires RidgeWorth Investments (Ceredex, Silvant and Seix)	■ Transformative acquisition, significantly increases scale, diversifies investment offerings and enhances distribution
<b>July 2018</b>	■ Makes majority investment in Sustainable Growth Advisors (SGA)	■ Adds specialized growth equity affiliate with U.S. and global equity strategies, expands institutional and non-US client base
<b>May 2019</b>	■ Adopts SGA Global Growth Fund from American Beacon	■ Expands fund offerings with 5-star fund managed by affiliate
<b>February 2021</b>	■ Becomes investment advisor, distributor, and/or administrator of Allianz Global Investors retail products	■ Adds 25 open-end funds, 7 closed-end funds, and retail separate accounts managed by AllianzGI and NFJ
<b>October 2021</b>	■ Acquires Westchester Capital Management	■ Adds \$5.1 billion of AUM in differentiated, non-correlated event-driven strategies
<b>January 2022</b>	■ Acquires Stone Harbor Investment Partners	■ Adds \$14.7 billion AUM in distinctive emerging markets debt and multi-asset credit strategies



**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

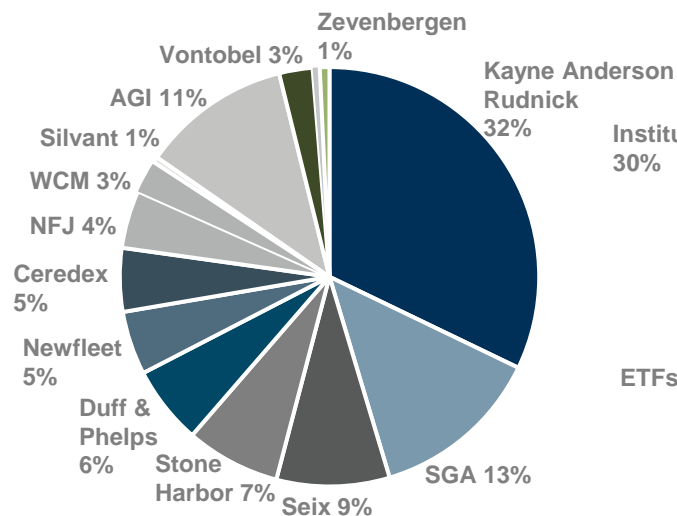
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# PRODUCTS AND PERFORMANCE

## DIVERSIFIED CAPABILITIES



### AUM by Manager



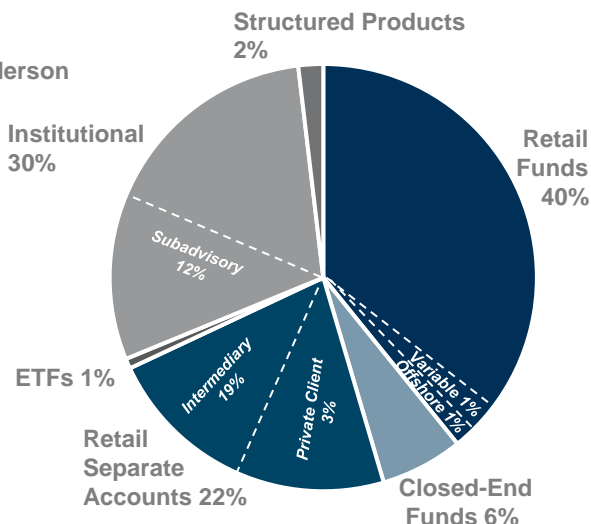
#### Affiliated Managers

Kayne Anderson Rudnick	\$64.9
SGA	26.7
Seix	17.6
Stone Harbor	14.7
Duff & Phelps	12.2
Newfleet	9.9
Ceredex	9.9
NFJ	9.0
Westchester Capital	5.1
Silvant	0.9
Other <sup>2</sup>	0.2
<b>Total</b>	<b>\$171.1</b>

#### Subadvisers

AGI	\$23.1
Vontobel	5.2
Zevenbergen	1.1
Other Subadvisers	1.4
<b>Total</b>	<b>\$30.8</b>

### AUM by Product Type



#### Funds

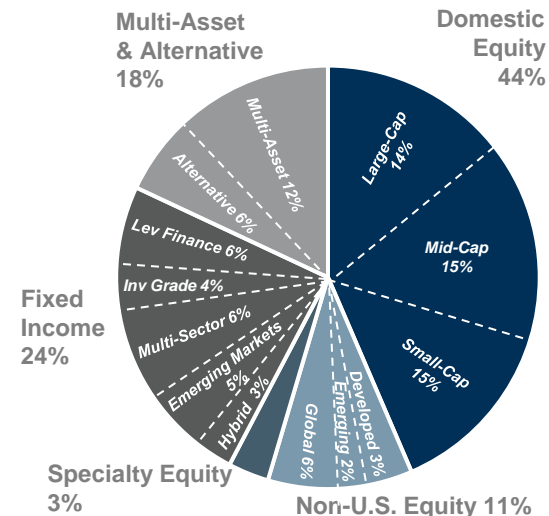
Retail	\$76.2
Closed-End	12.3
Variable Insurance	1.2
Offshore	4.7
ETFs	1.5
<b>Total</b>	<b>\$95.9</b>

#### Separate Accounts

Institutional Accounts	\$57.8
Retail Separate Accounts	44.5
Structured Products	3.7
<b>Total</b>	<b>\$106.0</b>

**Total AUM: \$201.9 billion<sup>1</sup>**

### AUM by Asset Class



#### Equity

Domestic Small-Cap	\$29.9
Domestic Mid-Cap	30.7
Domestic Large-Cap	27.3
Specialty <sup>4</sup>	6.3
Global	11.6
Emerging Market	5.1
Developed Market	5.6
<b>Total</b>	<b>\$116.5</b>

#### Fixed Income

Multi-Sector	\$12.7
Leveraged Finance	12.4
Emerging Markets	10.4
Investment Grade <sup>3</sup>	8.1
Hybrid	5.4
<b>Total</b>	<b>\$49.0</b>

#### Multi-Asset and Alternative

Multi-Asset <sup>5</sup>	\$24.9
Alternative <sup>6</sup>	11.5
<b>Total</b>	<b>\$36.4</b>

\$ billions as of Dec. 31, 2021; totals may not add due to rounding <sup>1</sup>Pro forma for acquisition of Stone Harbor completed Jan. 1, 2022 <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 trends, themes or industry sectors <sup>5</sup>Strategies with substantial holdings in at least two of the following: equity, fixed income and alternatives, <sup>6</sup>Consists of event-driven, real estate securities, infrastructure, long/short, and other strategies

# PRODUCTS AND PERFORMANCE

## MULTI-PRODUCT OFFERINGS



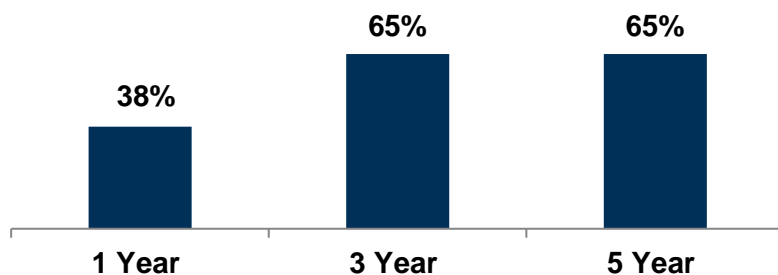
<b>Open-End Funds</b>	83 Funds \$74.6 billion	<ul style="list-style-type: none"> <li>■ Most major traditional investment categories with a strength in differentiated strategies</li> <li>■ Product offerings leverage all affiliate capabilities and select, high-quality subadvisers</li> <li>■ Widely available and distributed through broad range of intermediaries</li> </ul>
<b>Variable Insurance Funds</b>	9 Funds \$1.2 billion	<ul style="list-style-type: none"> <li>■ Focused selection of investment strategies generally leveraging open-end strategies</li> <li>■ Managed by Duff &amp; Phelps, Kayne Anderson Rudnick, Newfleet, SGA, and Westchester</li> <li>■ Investment offerings made available within variable annuities and variable life insurance</li> </ul>
<b>Exchange-Traded Funds</b>	15 Funds \$1.5 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 \$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 \$12.1 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>	27 Strategies \$44.5 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>	\$48.2 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>	\$3.7 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

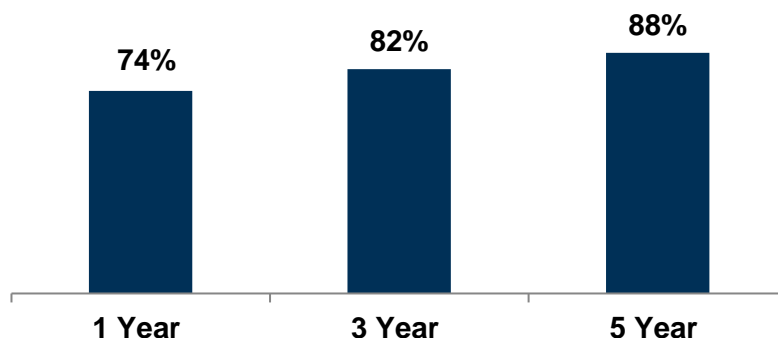
ATTRACTIVE PERFORMANCE



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



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



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

Morningstar Rating	# of Funds	\$ AUM	% of AUM	
★★★★★	15	\$29,544	40%	} 66%
★★★★	25	\$19,548	26%	
★★★	28	\$22,402	30%	
★★	9	\$3,056	4%	
★	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 December 31, 2021; \$ millions

<sup>1</sup> % AUM beating 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



40 mutual funds rated 5 or 4 Stars, including 6 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	14 Funds
Multi-Asset/Alternative	9 Funds
International Equity	6 Funds

### Ten Largest Mutual Funds

Fund	AUM	M'Star Rating <sup>1</sup>
AllianzGI Income & Growth	\$7.5	5
Newfleet Multi-Sector Short Term Bond	\$6.5	5
KAR Small-Cap Growth	\$6.4	5
The Merger Fund®	\$4.3	3
Vontobel EM Opportunities	\$3.7	3
Ceredex Mid-Cap Value Equity	\$3.7	4
KAR Mid-Cap Growth	\$3.3	5
KAR International Small-Mid Cap	\$3.1	3
AllianzGI Convertible	\$2.9	5
Seix Floating Rate High Income	\$2.4	3

As of December 31, 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.

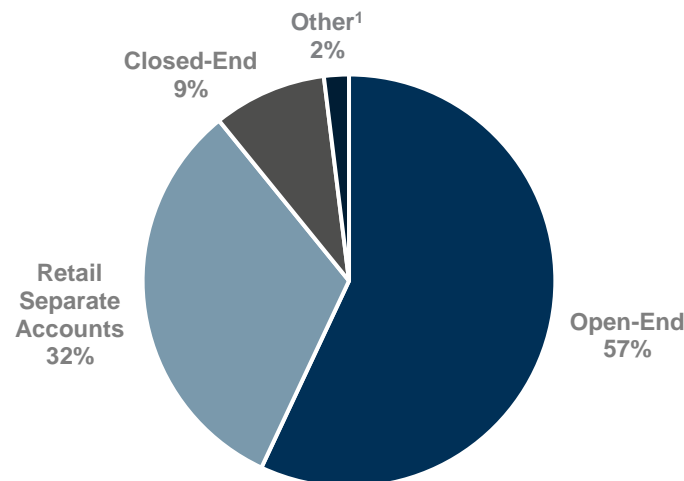
## Distribution

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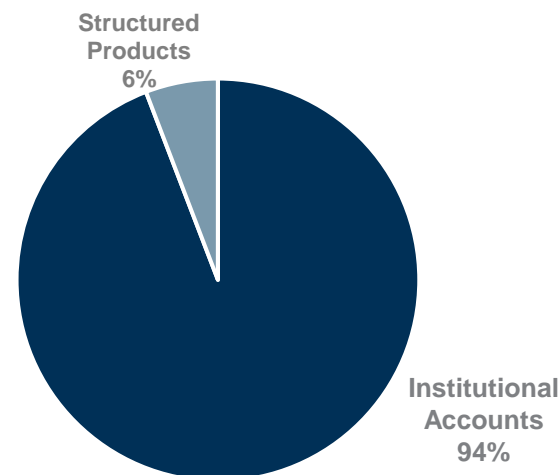
**Broad and diversified product offerings make us a meaningful partner with distributors and consultants for retail and institutional clients**

**Retail AUM (\$138.3B)**



- Centralized retail distribution resources for mutual fund, retail separate account, and ETF sales
- Distribution through financial advisors in the wirehouse, independent/RIA, and DCIO channels
- Strength and growth in retail separate accounts

**Institutional AUM (\$63.6B)**



- Experienced, centralized institutional sales team supporting U.S and non-U.S. institutional clients
- Direct and consultant-sourced relationships
- Diversified and stable client base with public institutions, corporations, and foundations

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

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

- Significant industry experience and tenure
- Effective communication of sophisticated strategies

### Approach

Consultative approach  
addressing client needs

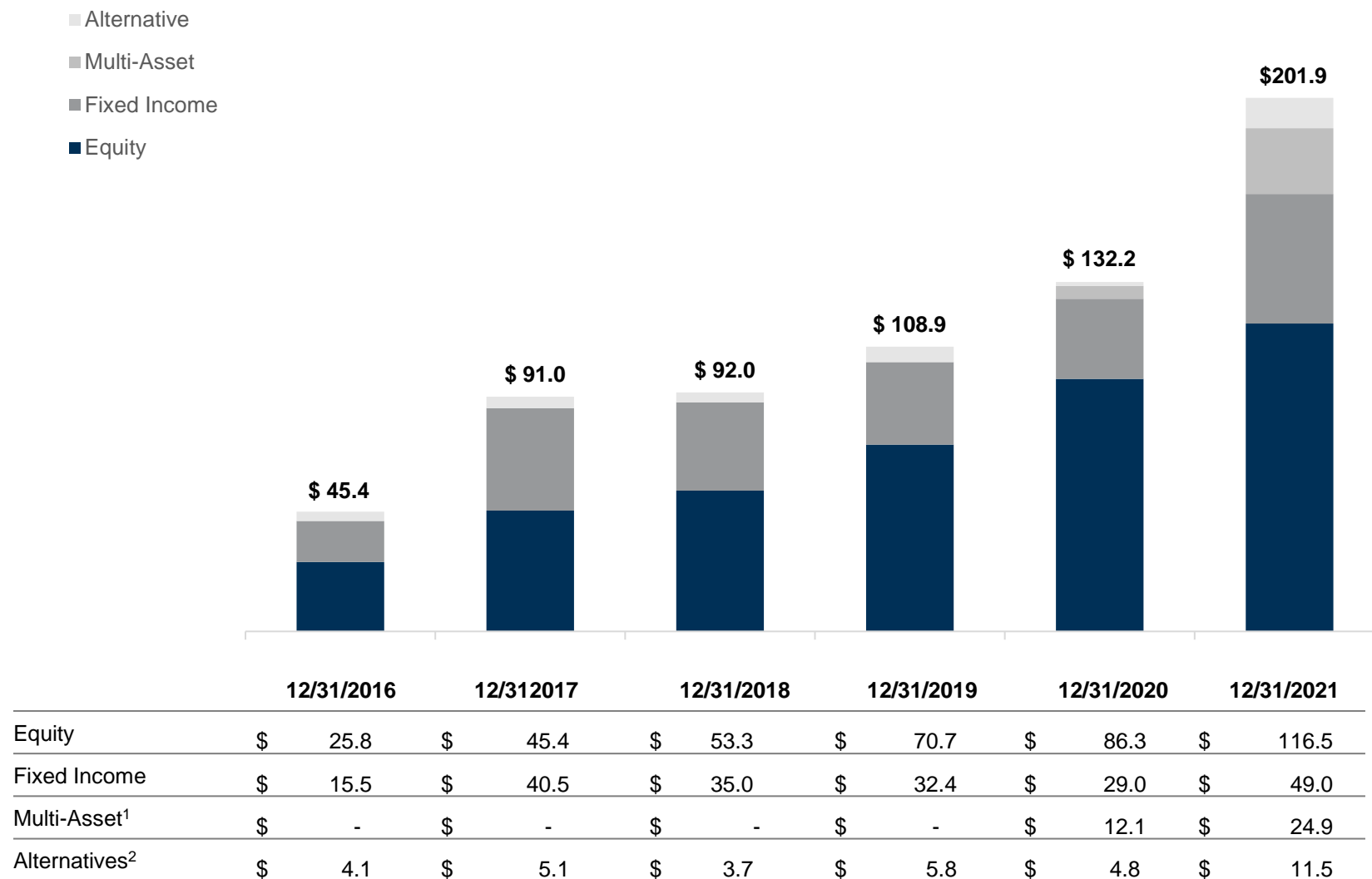
- Assist financial advisors in managing their books of business
- Help financial advisors address current and future client needs with thoughtful educational content

## Financial Review

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# ASSETS UNDER MANAGEMENT

DIVERSIFIED AUM



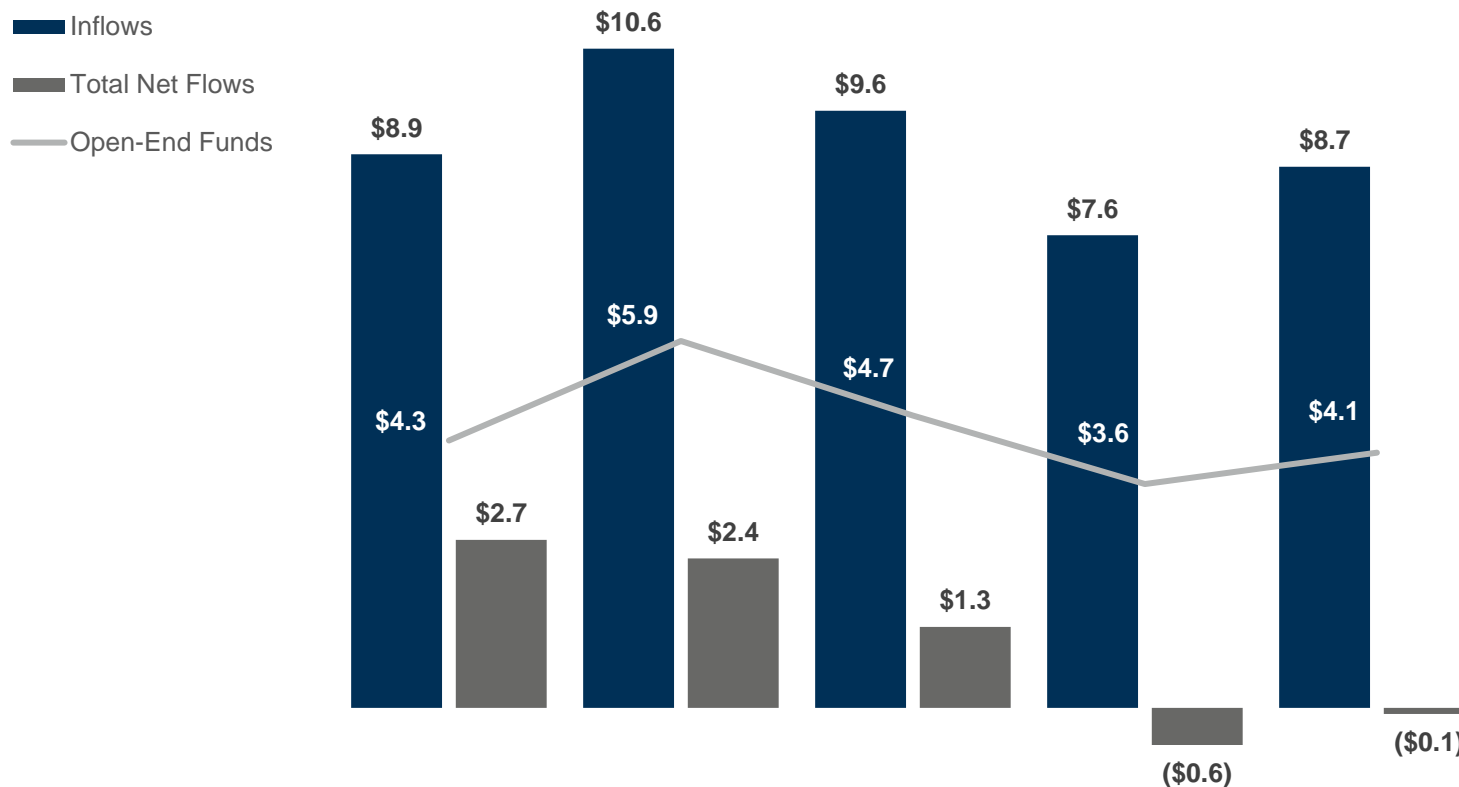
\$ billions; Pro forma as of December 31, 2021; reflects assets from Stone Harbor acquisition completed January 1, 2022

<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	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Sales Rate	30.5%	32.6%	22.7%	16.9%	19.5%
Total Net Flow Rate	9.2%	7.5%	3.2%	(1.3%)	(0.1%)
Open-End Fund Sales Rate	38.2%	46.8%	26.4%	19.1%	22.5%

\$ billions

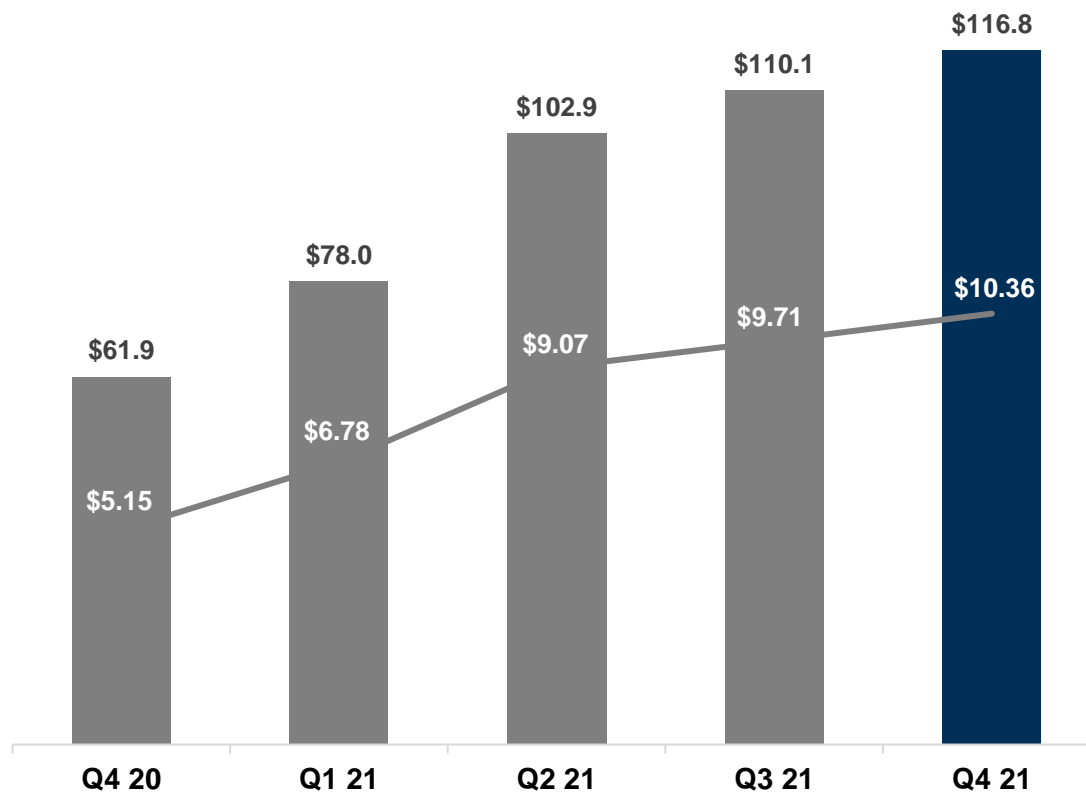
Sales rate is annualized inflows divided by beginning-of-period assets; net flow rate is annualized net flows divided by beginning of period assets

# OPERATING INCOME, AS ADJUSTED

## QUARTERLY TREND



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



### METRICS

Net Income Attributable to Virtus Investment Partners, Inc., as Adjusted	\$41.4	\$54.6	\$72.7	\$77.5	\$82.1
Operating Margin, as Adjusted	40.3%	41.6%	48.9%	50.6%	50.2%

\$ in millions, except per share data

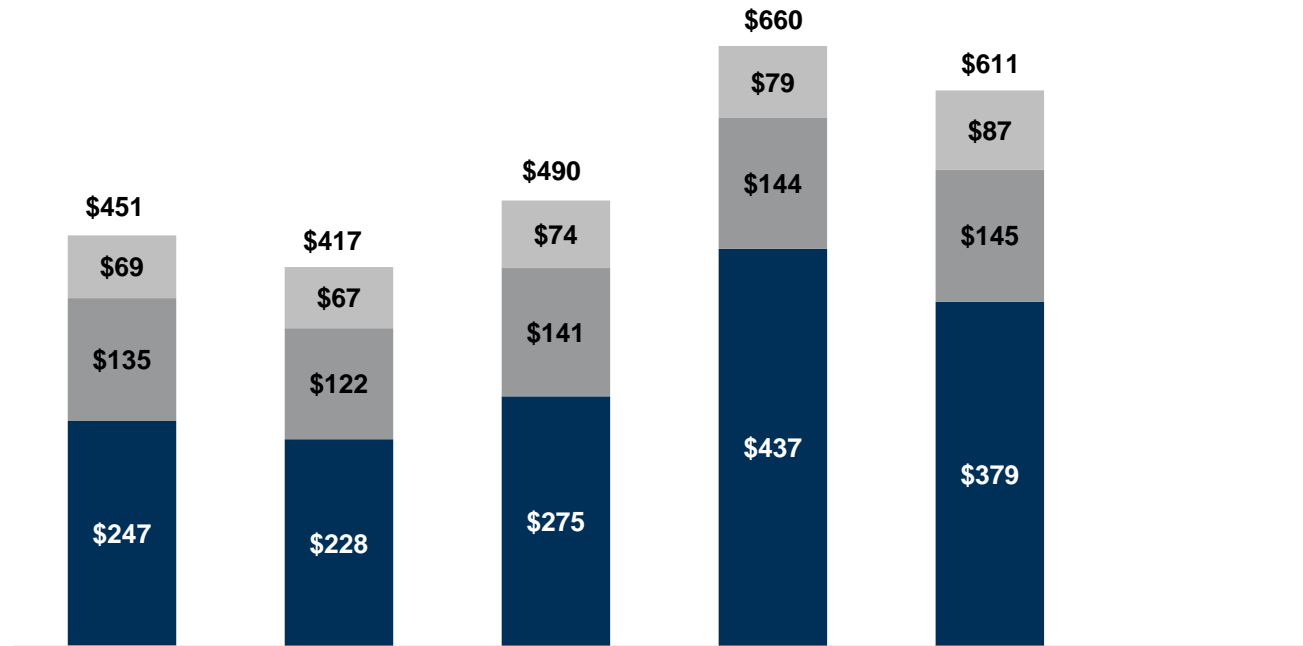


# STRONG CAPITAL POSITION

## BALANCED CAPITAL MANAGEMENT



- Investments - Other <sup>1</sup>
- Seed Capital Investments <sup>2</sup>
- Cash & Cash Equivalents



METRICS	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Working Capital <sup>3</sup>	\$172	\$211	\$229	\$345	\$220
Gross Debt <sup>4</sup>	\$206	\$200	\$194	\$275	\$274
Net Debt (Cash) <sup>5</sup>	(\$41)	(\$29)	(\$82)	(\$162)	(\$105)

\$ in millions

<sup>1</sup> Represents investments in collateralized loan obligations ("CLOs") and mutual funds that are not seed capital investments

<sup>2</sup> Represents sponsored investment products including open-end funds, ETFs, and separate accounts

<sup>3</sup> Defined as cash and cash equivalents plus accounts receivable, net, less accrued compensation and benefits, accounts payable and accrued liabilities, dividends payable, debt principal payments due over next 12 months and revenue participation amounts earned as of the balance sheet date and due within 12 months

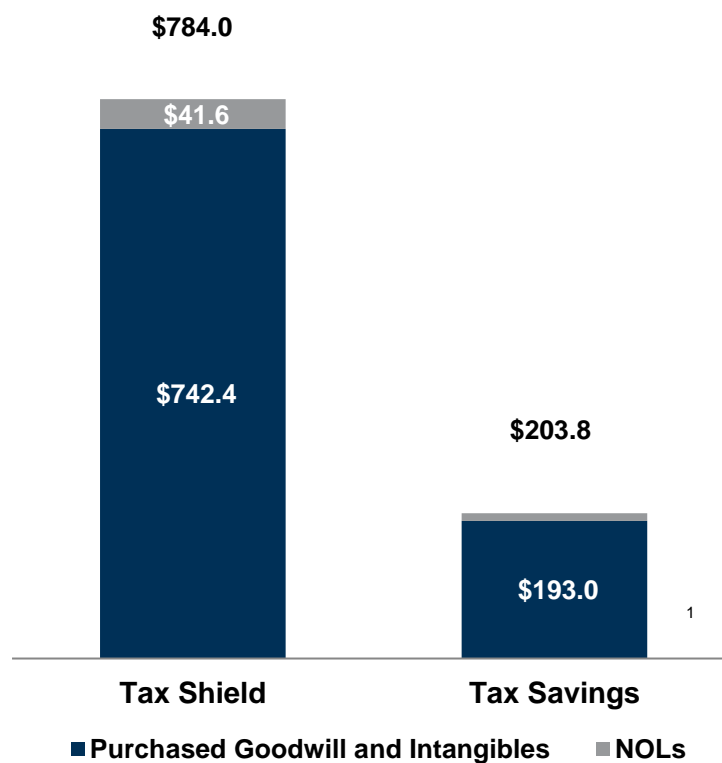
<sup>4</sup> Excludes deferred financing costs

<sup>5</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 \$14 million per year over next 15 years (2022-2036)



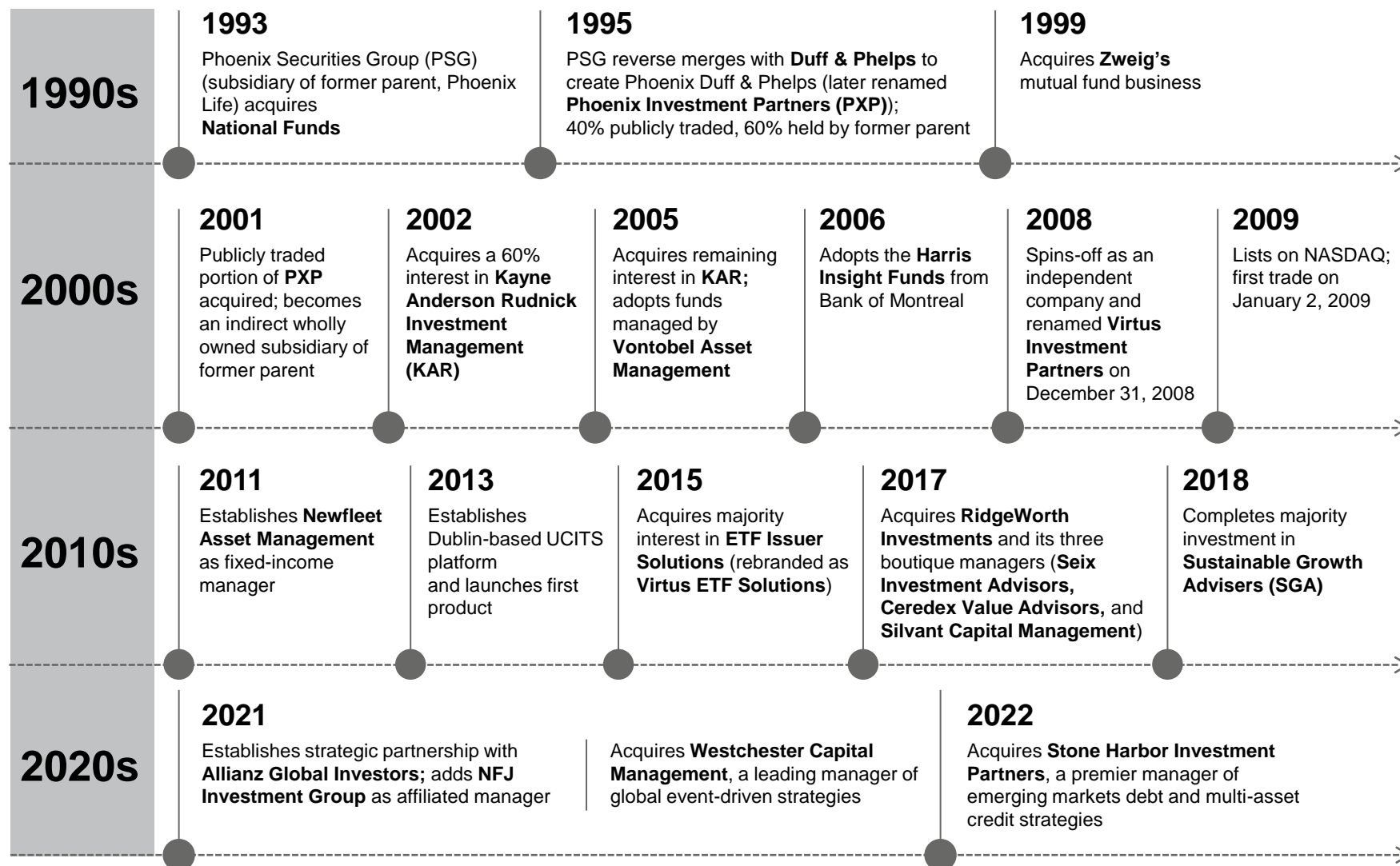
\$ in millions

<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	\$5.4					\$4.5		\$9.9
Duff & Phelps	\$1.3	\$5.8	\$0.1			\$5.0		\$12.2
Kayne Anderson Rudnick	\$21.8		\$0.7		\$35.5	\$6.9		\$64.9
Newfleet	\$8.5	\$0.4	\$0.1			\$0.6	\$0.3	\$9.9
NFJ	\$3.5	\$1.2			\$3.9	\$0.4		\$9.0
Seix	\$4.9			\$0.1	\$2.3	\$6.9	\$3.4	\$17.6
Silvant	\$0.2					\$0.7		\$0.9
Stone Harbor	\$2.8	\$0.2				\$11.7		
SGA	\$1.2		\$0.2		\$2.7	\$22.6		\$26.7
Virtus ETF Advisers				\$0.2				\$0.2
Westchester	\$4.6		\$0.1			\$0.4		\$5.1
AllianzGI	\$18.1	\$4.7			\$0.1	\$0.2		\$23.1
Vontobel	\$5.2							\$5.2
Zevenbergen	\$1.1							\$1.1
Other	\$0.2			\$1.2				\$1.4
<b>Total</b>	<b>\$78.8</b>	<b>\$12.3</b>	<b>\$1.2</b>	<b>\$1.5</b>	<b>\$44.5</b>	<b>\$59.9</b>	<b>\$3.7</b>	<b>\$201.9</b>

\$ billions; total may not add due to rounding; Pro forma as of December 31, 2021; reflects assets from Stone Harbor acquisition completed January 1, 2022

## FINANCIAL SUPPLEMENT

# NON-GAAP INFORMATION

## INCOME STATEMENT <sup>1</sup> (UNAUDITED)



	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>Q4:21</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Revenues, As Adjusted</b>							
Investment management fees, as adjusted	\$136,824	\$163,935	\$183,230	\$190,029	\$203,429	\$476,004	\$740,623
Administration and shareholder service fees, as adjusted	16,472	22,621	25,926	26,482	27,665	59,684	102,694
Other income and fees, as adjusted	245	720	1,174	1,159	1,510	670	4,563
Total revenues, as adjusted	\$153,541	\$187,276	\$210,330	\$217,670	\$232,604	\$536,358	\$847,880
<b>Operating Expenses, As Adjusted</b>							
Employment expenses, as adjusted	\$73,462	\$90,412	\$86,521	\$86,471	\$91,996	\$265,455	\$355,400
Other operating expenses, as adjusted	17,061	17,800	19,894	20,173	22,880	69,725	80,747
Depreciation and other amortization, as adjusted	1,100	1,098	981	915	906	4,660	3,900
Total operating expenses, as adjusted	\$91,623	\$109,310	\$107,396	\$107,559	\$115,782	\$339,840	\$440,047
<b>Operating Income (Loss), As Adjusted</b>	<b>\$61,918</b>	<b>\$77,966</b>	<b>\$102,934</b>	<b>\$110,111</b>	<b>\$116,822</b>	<b>\$196,518</b>	<b>\$407,833</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. Reconciliations to the most directly comparable U.S. GAAP measures and other important disclosures are provided later in this presentation



# NON-GAAP INFORMATION

## INCOME STATEMENT <sup>1</sup> (CONTINUED) (UNAUDITED)



	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>Q4:21</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Other Income (Expense), As Adjusted</b>							
Realized and unrealized gain (loss) on investments, net, as adjusted	\$147	(\$73)	\$476	\$24	(\$145)	(\$593)	\$282
Other income, net, as adjusted	1,070	1,771	826	1,001	632	1,876	4,230
Total other income (expense), as adjusted	\$1,217	\$1,698	\$1,302	\$1,025	\$487	\$1,283	\$4,512
<b>Interest Income (Expense), As Adjusted</b>							
Interest expense, as adjusted	(\$2,692)	(\$2,314)	(\$2,256)	(\$2,168)	(\$2,322)	(\$12,598)	(\$9,060)
Interest and dividend income, as adjusted	1,134	1,046	1,085	1,013	1,772	6,433	4,916
Total interest income (expense), net, as adjusted	(\$1,558)	(\$1,268)	(\$1,171)	(\$1,155)	(\$550)	(\$6,165)	(\$4,144)
<b>Pre-Tax Income (Loss), As Adjusted</b>	<b>\$61,577</b>	<b>\$78,396</b>	<b>\$103,065</b>	<b>\$109,981</b>	<b>\$116,759</b>	<b>\$191,636</b>	<b>\$408,201</b>
Income tax expense (benefit), as adjusted	16,804	20,942	27,394	29,113	31,468	53,041	108,917
<b>Net Income (Loss), As Adjusted</b>	<b>\$44,773</b>	<b>\$57,454</b>	<b>\$75,671</b>	<b>\$80,868</b>	<b>\$85,291</b>	<b>\$138,595</b>	<b>\$299,284</b>
Noncontrolling interests, as adjusted	(3,411)	(2,834)	(3,010)	(3,355)	(3,161)	(9,281)	(12,360)
<b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc., As Adjusted</b>	<b>\$41,362</b>	<b>\$54,620</b>	<b>\$72,661</b>	<b>\$77,513</b>	<b>\$82,130</b>	<b>\$129,314</b>	<b>\$286,924</b>
Weighted average shares outstanding - diluted, as adjusted	8,026	8,052	8,007	7,984	7,929	7,976	8,003
<b>Earnings (Loss) Per Share - Diluted, As Adjusted</b>	<b>\$5.15</b>	<b>\$6.78</b>	<b>\$9.07</b>	<b>\$9.71</b>	<b>\$10.36</b>	<b>\$16.21</b>	<b>\$35.85</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. Reconciliations to the most directly comparable U.S. GAAP measures and other important disclosures are provided later in this presentation

# NON-GAAP INFORMATION

## BALANCE SHEET <sup>1</sup> (UNAUDITED)



	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>
<b>Assets:</b>					
Cash and cash equivalents	\$246,511	\$228,260	\$275,439	\$437,242	\$378,921
Investments – seed capital	135,418	121,690	140,679	144,476	144,660
Investments – other	69,032	66,909	73,723	78,643	86,569
Investments – long term	24,955	26,747	27,327	27,490	28,556
Accounts receivable, net	85,975	117,658	121,591	128,229	125,224
Furniture, equipment, and leasehold improvements, net	14,488	13,489	12,896	12,429	12,542
Intangible assets, net	280,264	391,187	380,824	370,433	500,571
Goodwill	290,366	315,366	315,366	315,366	338,406
Deferred taxes, net	9,538	9,161	11,054	12,214	19,204
Other assets	36,288	33,909	48,039	41,291	60,102
<b>Total Assets</b>	<b>\$1,192,835</b>	<b>\$1,324,376</b>	<b>\$1,406,938</b>	<b>\$1,567,813</b>	<b>\$1,694,755</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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>
<b>Liabilities and Equity</b>					
<b>Liabilities:</b>					
Accrued compensation and benefits	\$122,514	\$62,335	\$96,509	\$139,106	\$187,449
Accounts payable and accrued liabilities	25,357	55,153	45,755	41,716	48,496
Dividends payable	9,013	8,593	8,565	14,298	14,824
Other liabilities	36,119	37,442	38,386	37,105	60,224
Debt <sup>2</sup>	201,212	195,726	190,224	266,739	266,346
Contingent consideration <sup>3</sup>	—	137,664	137,664	137,664	162,564
<b>Total Liabilities</b>	<b>\$394,215</b>	<b>\$496,913</b>	<b>\$517,103</b>	<b>\$636,628</b>	<b>\$739,903</b>
Redeemable noncontrolling interests	\$87,451	\$98,059	\$108,939	\$118,861	\$126,549
<b>Equity:</b>					
Total equity exc. noncontrolling interests	\$711,169	\$729,404	\$780,896	\$812,324	\$828,303
<b>Total Liabilities and Equity</b>	<b>\$1,192,835</b>	<b>\$1,324,376</b>	<b>\$1,406,938</b>	<b>\$1,567,813</b>	<b>\$1,694,755</b>
<b>Working Capital <sup>4</sup></b>	<b>\$171,950</b>	<b>\$211,101</b>	<b>\$229,201</b>	<b>\$345,490</b>	<b>\$219,829</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 estimates of AllianzGI revenue participation and Westchester Capital revenue earn out payments at December 31, 2021

<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>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>Q4:21</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Revenues</b>							
Investment management fees	\$144,715	\$173,269	\$193,510	\$201,133	\$213,673	\$505,338	\$781,585
Distribution and service fees	10,279	20,348	23,450	23,293	23,464	38,425	90,555
Administration and shareholder service fees	16,407	22,560	25,877	26,479	27,615	59,463	102,531
Other income and fees	245	720	1,174	1,159	1,510	670	4,563
Total revenues	\$171,646	\$216,897	\$244,011	\$252,064	\$266,262	\$603,896	\$979,234
<b>Operating Expenses</b>							
Employment expenses	\$73,527	\$91,759	\$87,630	\$87,345	\$91,496	\$267,299	\$358,230
Distribution and other asset-based expenses	20,686	32,294	36,021	36,692	36,032	77,010	141,039
Other operating expenses	17,232	19,580	21,946	22,800	25,808	69,896	90,134
Other operating expenses of CIP <sup>1</sup>	641	559	659	639	1,705	10,585	3,562
Restructuring and severance	—	—	—	—	—	1,155	—
Change in fair value of contingent consideration	—	—	—	—	12,400	—	12,400
Depreciation expense	1,100	1,098	981	915	906	4,660	3,900
Amortization expense	7,529	9,465	10,363	10,391	14,262	30,127	44,481
Total operating expenses	\$120,715	\$154,755	\$157,600	\$158,782	\$182,609	\$460,732	\$653,746
<b>Operating Income (Loss)</b>	<b>\$50,931</b>	<b>\$62,142</b>	<b>\$86,411</b>	<b>\$93,282</b>	<b>\$83,653</b>	<b>\$143,164</b>	<b>\$325,488</b>

\$ in thousands

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

# U.S. GAAP INFORMATION

## INCOME STATEMENT (CONTINUED) (UNAUDITED)



	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>Q4:21</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Other Income (Expense)</b>							
Realized and unrealized gain (loss) on investments, net	\$5,071	\$891	\$2,494	(\$504)	\$1,026	\$7,139	\$3,907
Realized and unrealized gain (loss) of CIP <sup>1</sup> , net	10,768	(4,687)	2,747	(2,801)	2,980	(1,965)	(1,761)
Other income (expense), net	1,070	1,771	826	1,001	632	1,876	4,230
Total other income (expense), net	\$16,909	(\$2,025)	\$6,067	(\$2,304)	\$4,638	\$7,050	\$6,376
<b>Interest Income (Expense)</b>							
Interest expense	(\$2,692)	(\$2,314)	(\$2,256)	(\$2,348)	(\$2,322)	(\$11,894)	(\$9,240)
Interest and dividend income	236	136	166	269	793	1,367	1,364
Interest and dividend income of CIP <sup>1</sup>	25,697	23,876	22,562	22,877	20,765	109,648	90,080
Interest expense of CIP <sup>1</sup>	(15,179)	(14,448)	(14,452)	(13,442)	(18,056)	(85,437)	(60,398)
Total interest income (expense), net	\$8,062	\$7,250	\$6,020	\$7,356	\$1,180	\$13,684	\$21,806
<b>Income (Loss) Before Income Taxes</b>	<b>\$75,902</b>	<b>\$67,367</b>	<b>\$98,498</b>	<b>\$98,334</b>	<b>\$89,471</b>	<b>\$163,898</b>	<b>\$353,670</b>
Income tax expense (benefit)	14,088	15,153	22,401	25,823	27,458	43,935	90,835
<b>Net Income (Loss)</b>	<b>\$61,814</b>	<b>\$52,214</b>	<b>\$76,097</b>	<b>\$72,511</b>	<b>\$62,013</b>	<b>\$119,963</b>	<b>\$262,835</b>
Noncontrolling interests	(18,499)	(15,626)	(13,130)	(13,775)	(12,173)	(40,006)	(54,704)
<b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b>	<b>\$43,315</b>	<b>\$36,588</b>	<b>\$62,967</b>	<b>\$58,736</b>	<b>\$49,840</b>	<b>\$79,957</b>	<b>\$208,131</b>
Weighted average shares outstanding - diluted	8,026	8,052	8,007	7,984	7,929	7,976	8,003
<b>Earnings (Loss) Per Share - Diluted</b>	<b>\$5.40</b>	<b>\$4.54</b>	<b>\$7.86</b>	<b>\$7.36</b>	<b>\$6.29</b>	<b>\$10.02</b>	<b>\$26.01</b>

\$ and shares in thousands

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

# ASSETS UNDER MANAGEMENT

## BY PRODUCT AND ASSET CLASS



	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>
<b>Assets by Product</b>					
U.S. Retail Funds	\$48,492	\$69,730	\$72,746	\$70,526	\$74,616
Offshore Funds	1,173	1,343	1,456	1,399	1,418
Variable Insurance Funds	1,106	1,091	1,131	1,119	1,193
Total – Open-End Funds	\$50,771	\$72,164	\$75,333	\$73,044	\$77,227
Closed-End Funds	\$5,914	\$11,664	\$11,993	\$11,721	\$12,068
Exchange Traded Funds	\$837	\$1,021	\$1,260	\$1,321	\$1,479
Intermediary Sold Managed Accounts	\$23,852	\$31,133	\$34,125	\$34,974	\$37,621
Private Client	5,899	6,111	6,453	6,554	6,917
Total – Retail Separate Accounts	\$29,751	\$37,244	\$40,578	\$41,528	\$44,538
Institutional Accounts	\$40,861	\$42,802	\$45,604	\$45,882	\$48,140
Structured Products	\$4,060	\$3,985	\$3,870	\$3,809	\$3,734
<b>Total</b>	<b>\$132,194</b>	<b>\$168,880</b>	<b>\$178,638</b>	<b>\$177,305</b>	<b>\$187,186</b>
<b>Assets by Asset Class</b>					
Equity	\$86,268	\$106,183	\$113,751	\$112,732	\$116,546
<i>% of total</i>	65.3%	62.9%	63.7%	63.6%	62.3%
Fixed Income	28,965	35,069	35,426	35,240	34,261
<i>% of total</i>	21.9%	20.8%	19.8%	19.9%	18.3%
Multi-Asset <sup>1</sup>	12,201	22,498	23,668	23,641	24,853
<i>% of total</i>	9.2%	13.3%	13.2%	13.3%	13.3%
Alternatives <sup>2</sup>	4,760	5,130	5,793	5,692	11,526
<i>% of total</i>	3.6%	3.0%	3.3%	3.2%	6.1%
<b>Total</b>	<b>\$132,194</b>	<b>\$168,880</b>	<b>\$178,638</b>	<b>\$177,305</b>	<b>\$187,186</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> Consists of event-driven, real estate securities, infrastructure, long/short, and other strategies

# ASSETS UNDER MANAGEMENT

## BY PRODUCT AND ASSET CLASS



	<u>Open-End Funds</u>	<u>Closed-End Funds</u>	<u>Exchange Traded Funds</u>	<u>Retail Separate Accounts</u>	<u>Institutional Accounts</u>	<u>Structured Products</u>	<u>Total as of 12/31/2021</u>
<b>Equity:</b>							
Domestic Equity	\$29,046	\$—	\$142	\$34,410	\$24,291	\$—	\$87,889
International Equity	9,194	—	7	129	1,390	—	10,720
Global Equity	1,637	—	—	542	9,479	—	11,658
Specialty Equity <sup>1</sup>	5,148	946	54	131	—	—	6,279
<b>Total Equity</b>	<b>\$45,025</b>	<b>\$946</b>	<b>\$203</b>	<b>\$35,212</b>	<b>\$35,160</b>	<b>\$—</b>	<b>\$116,546</b>
<b>Fixed Income:</b>							
Leveraged Finance	\$4,295	\$—	\$73	\$1,948	\$2,019	\$3,734	\$12,069
Multi-Sector	8,372	185	23	—	1,053	—	9,633
Investment Grade	1,535	176	—	314	5,152	—	7,177
Hybrid	2,978	1,850	554	—	—	—	5,382
<b>Total Fixed Income</b>	<b>\$17,180</b>	<b>\$2,211</b>	<b>\$650</b>	<b>\$2,262</b>	<b>\$8,224</b>	<b>\$3,734</b>	<b>\$34,261</b>
<b>Multi-Asset <sup>2</sup></b>	<b>\$8,600</b>	<b>\$8,170</b>	<b>\$29</b>	<b>\$7,063</b>	<b>\$991</b>	<b>\$—</b>	<b>\$24,853</b>
<b>Alternative <sup>3</sup></b>	<b>\$6,422</b>	<b>\$741</b>	<b>\$597</b>	<b>\$1</b>	<b>\$3,765</b>	<b>\$—</b>	<b>\$11,526</b>
<b>Total</b>	<b>\$77,227</b>	<b>\$12,068</b>	<b>\$1,479</b>	<b>\$44,538</b>	<b>\$48,140</b>	<b>\$3,734</b>	<b>\$187,186</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> Consists of event-driven, real estate securities, infrastructure, long/short, and other strategies

# ASSET FLOWS

## TOTAL



	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Total</b>							
Beginning balance	\$116,487	\$132,194	\$168,880	\$178,638	\$177,305	\$108,904	\$132,194
Inflows	8,941	10,611	9,550	7,623	8,712	33,428	36,496
Outflows	(6,249)	(8,178)	(8,214)	(8,195)	(8,777)	(28,075)	(33,364)
Net Flows	2,692	2,433	1,336	(572)	(65)	5,353	3,132
Market performance	13,431	4,690	8,782	(453)	6,333	19,224	19,352
Other <sup>1</sup>	(416)	29,563	(360)	(308)	3,613	(1,287)	32,508
<b>Ending Balance - Total</b>	<b>\$132,194</b>	<b>\$168,880</b>	<b>\$178,638</b>	<b>\$177,305</b>	<b>\$187,186</b>	<b>\$132,194</b>	<b>\$187,186</b>
<i>Inflow Rate <sup>2</sup></i>	30.5 %	32.6 %	22.7 %	16.9 %	19.5 %	30.7 %	27.6 %
<i>Outflow Rate <sup>2</sup></i>	(21.3)%	(25.1)%	(19.5)%	(18.2)%	(19.6)%	(25.8)%	(25.2)%
<i>Net Flow Rate <sup>2</sup></i>	9.2 %	7.5 %	3.2 %	(1.3)%	(0.1)%	4.9 %	2.4 %

\$ 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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>U.S. Retail Funds</b>							
Beginning balance	\$42,650	\$48,492	\$69,730	\$72,746	\$70,526	\$42,412	\$48,492
Inflows	4,049	5,652	4,591	3,555	4,029	16,111	17,827
Outflows	(3,408)	(5,157)	(4,864)	(4,964)	(5,744)	(16,335)	(20,729)
Net Flows	641	495	(273)	(1,409)	(1,715)	(224)	(2,902)
Market performance	5,456	1,074	3,345	(735)	2,185	6,766	5,869
Other <sup>1</sup>	(255)	19,669	(56)	(76)	3,620	(462)	23,157
<b>Ending Balance</b>	<b>\$48,492</b>	<b>\$69,730</b>	<b>\$72,746</b>	<b>\$70,526</b>	<b>\$74,616</b>	<b>\$48,492</b>	<b>\$74,616</b>
<b>Offshore Funds <sup>2</sup></b>							
Beginning balance	\$926	\$1,173	\$1,343	\$1,456	\$1,399	\$463	\$1,173
Inflows	226	191	139	66	83	904	479
Outflows	(90)	(61)	(83)	(105)	(74)	(427)	(323)
Net Flows	136	130	56	(39)	9	477	156
Market performance	111	41	57	(18)	11	211	91
Other <sup>1</sup>	—	(1)	—	—	(1)	22	(2)
<b>Ending Balance</b>	<b>\$1,173</b>	<b>\$1,343</b>	<b>\$1,456</b>	<b>\$1,399</b>	<b>\$1,418</b>	<b>\$1,173</b>	<b>\$1,418</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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Variable Insurance Funds</b>							
Beginning balance	\$998	\$1,106	\$1,091	\$1,131	\$1,119	\$949	\$1,106
Inflows	10	10	13	14	23	40	60
Outflows	(29)	(40)	(40)	(34)	(52)	(128)	(166)
Net Flows	(19)	(30)	(27)	(20)	(29)	(88)	(106)
Market performance	127	15	67	8	45	245	135
Other <sup>1</sup>	—	—	—	—	58	—	58
<b>Ending Balance</b>	<b>\$1,106</b>	<b>\$1,091</b>	<b>\$1,131</b>	<b>\$1,119</b>	<b>\$1,193</b>	<b>\$1,106</b>	<b>\$1,193</b>
<b>Total Open End Funds</b>							
Beginning balance	\$44,574	\$50,771	\$72,164	\$75,333	\$73,044	\$43,824	\$50,771
Inflows	4,285	5,853	4,743	3,635	4,135	17,055	18,366
Outflows	(3,527)	(5,258)	(4,987)	(5,103)	(5,870)	(16,890)	(21,218)
Net Flows	758	595	(244)	(1,468)	(1,735)	165	(2,852)
Market performance	5,694	1,130	3,469	(745)	2,241	7,222	6,095
Other <sup>1</sup>	(255)	19,668	(56)	(76)	3,677	(440)	23,213
<b>Ending Balance</b>	<b>\$50,771</b>	<b>\$72,164</b>	<b>\$75,333</b>	<b>\$73,044</b>	<b>\$77,227</b>	<b>\$50,771</b>	<b>\$77,227</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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Closed-End Funds</b>							
Beginning balance	\$5,629	\$5,914	\$11,664	\$11,993	\$11,721	\$6,748	\$5,914
Inflows	5	—	—	3	19	25	22
Outflows	—	—	—	—	—	—	—
Net Flows	5	—	—	3	19	25	22
Market performance	364	105	514	(114)	718	(387)	1,223
Other <sup>1</sup>	(84)	5,645	(185)	(161)	(390)	(472)	4,909
<b>Ending Balance</b>	<b>\$5,914</b>	<b>\$11,664</b>	<b>\$11,993</b>	<b>\$11,721</b>	<b>\$12,068</b>	<b>\$5,914</b>	<b>\$12,068</b>
<b>Exchange Traded Funds</b>							
Beginning balance	\$543	\$837	\$1,021	\$1,260	\$1,321	\$1,156	\$837
Inflows	218	175	232	174	211	438	792
Outflows	(40)	(77)	(92)	(65)	(73)	(448)	(307)
Net Flows	178	98	140	109	138	(10)	485
Market performance	126	98	104	(30)	41	(254)	213
Other <sup>1</sup>	(10)	(12)	(5)	(18)	(21)	(55)	(56)
<b>Ending Balance</b>	<b>\$837</b>	<b>\$1,021</b>	<b>\$1,260</b>	<b>\$1,321</b>	<b>\$1,479</b>	<b>\$837</b>	<b>\$1,479</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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Intermediary Sold Managed Accounts</b>							
Beginning balance	\$19,456	\$23,852	\$31,133	\$34,125	\$34,974	\$15,592	\$23,852
Inflows	1,990	2,494	2,066	1,726	2,045	5,759	8,331
Outflows	(810)	(791)	(700)	(1,103)	(999)	(2,591)	(3,593)
Net Flows	1,180	1,703	1,366	623	1,046	3,168	4,738
Market performance	3,215	2,028	1,626	226	1,591	5,119	5,471
Other <sup>1</sup>	1	3,550	—	—	10	(27)	3,560
<b>Ending Balance</b>	<b>\$23,852</b>	<b>\$31,133</b>	<b>\$34,125</b>	<b>\$34,974</b>	<b>\$37,621</b>	<b>\$23,852</b>	<b>\$37,621</b>
<b>Private Client</b>							
Beginning balance	\$5,271	\$5,899	\$6,111	\$6,453	\$6,554	\$4,822	\$5,899
Inflows	191	205	207	277	195	693	884
Outflows	(104)	(105)	(133)	(128)	(126)	(369)	(492)
Net Flows	87	100	74	149	69	324	392
Market performance	542	113	284	(48)	304	749	653
Other <sup>1</sup>	(1)	(1)	(16)	—	(10)	4	(27)
<b>Ending Balance</b>	<b>\$5,899</b>	<b>\$6,111</b>	<b>\$6,453</b>	<b>\$6,554</b>	<b>\$6,917</b>	<b>\$5,899</b>	<b>\$6,917</b>
<b>Total Retail Separate Accounts</b>							
Beginning balance	\$24,727	\$29,751	\$37,244	\$40,578	\$41,528	\$20,414	\$29,751
Inflows	2,181	2,699	2,273	2,003	2,240	6,452	9,215
Outflows	(914)	(896)	(833)	(1,231)	(1,125)	(2,960)	(4,085)
Net Flows	1,267	1,803	1,440	772	1,115	3,492	5,130
Market performance	3,757	2,141	1,910	178	1,895	5,868	6,124
Other <sup>1</sup>	—	3,549	(16)	—	—	(23)	3,533
<b>Ending Balance</b>	<b>\$29,751</b>	<b>\$37,244</b>	<b>\$40,578</b>	<b>\$41,528</b>	<b>\$44,538</b>	<b>\$29,751</b>	<b>\$44,538</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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Institutional Accounts</b>							
Beginning balance	\$36,851	\$40,861	\$42,802	\$45,604	\$45,882	\$32,859	\$40,861
Inflows	2,252	1,884	2,302	1,808	2,099	8,967	8,093
Outflows	(1,687)	(1,868)	(2,184)	(1,727)	(1,625)	(7,512)	(7,404)
Net Flows	565	16	118	81	474	1,455	689
Market performance	3,481	1,181	2,752	222	1,409	6,684	5,564
Other <sup>1</sup>	(36)	744	(68)	(25)	375	(137)	1,026
<b>Ending Balance</b>	<b>\$40,861</b>	<b>\$42,802</b>	<b>\$45,604</b>	<b>\$45,882</b>	<b>\$48,140</b>	<b>\$40,861</b>	<b>\$48,140</b>
<b>Structured Products</b>							
Beginning balance	\$4,163	\$4,060	\$3,985	\$3,870	\$3,809	\$3,903	\$4,060
Inflows	—	—	—	—	8	491	8
Outflows	(81)	(79)	(118)	(69)	(84)	(265)	(350)
Net Flows	(81)	(79)	(118)	(69)	(76)	226	(342)
Market performance	9	35	33	36	29	91	133
Other <sup>1</sup>	(31)	(31)	(30)	(28)	(28)	(160)	(117)
<b>Ending Balance</b>	<b>\$4,060</b>	<b>\$3,985</b>	<b>\$3,870</b>	<b>\$3,809</b>	<b>\$3,734</b>	<b>\$4,060</b>	<b>\$3,734</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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Domestic Equity</b>							
Beginning balance	\$53,621	\$63,680	\$77,155	\$82,819	\$83,331	\$44,976	\$63,680
Inflows	4,767	4,896	4,467	3,445	3,596	16,828	16,404
Outflows	(3,079)	(3,818)	(3,634)	(3,344)	(3,013)	(11,273)	(13,809)
Net Flows	1,688	1,078	833	101	583	5,555	2,595
Market performance	8,643	4,025	4,812	416	4,323	13,733	13,576
Other <sup>1</sup>	(272)	8,372	19	(5)	(348)	(584)	8,038
<b>Ending Balance</b>	<b>\$63,680</b>	<b>\$77,155</b>	<b>\$82,819</b>	<b>\$83,331</b>	<b>\$87,889</b>	<b>\$63,680</b>	<b>\$87,889</b>
<b>International Equity</b>							
Beginning balance	\$9,847	\$11,629	\$12,993	\$13,616	\$11,979	\$11,005	\$11,629
Inflows	865	1,120	693	517	592	3,056	2,922
Outflows	(785)	(959)	(656)	(1,410)	(1,420)	(4,011)	(4,445)
Net Flows	80	161	37	(893)	(828)	(955)	(1,523)
Market performance	1,739	155	580	(746)	56	1,633	45
Other <sup>1</sup>	(37)	1,048	6	2	(487)	(54)	569
<b>Ending Balance</b>	<b>\$11,629</b>	<b>\$12,993</b>	<b>\$13,616</b>	<b>\$11,979</b>	<b>\$10,720</b>	<b>\$11,629</b>	<b>\$10,720</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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Global Equity</b>							
Beginning balance	\$8,299	\$9,512	\$9,681	\$10,623	\$11,009	\$6,422	\$9,512
Inflows	731	501	669	732	1,231	2,640	3,133
Outflows	(232)	(617)	(404)	(308)	(298)	(1,500)	(1,627)
Net Flows	499	(116)	265	424	933	1,140	1,506
Market performance	712	198	675	(39)	(338)	1,945	496
Other <sup>2</sup>	2	87	2	1	54	5	144
<b>Ending Balance</b>	<b>\$9,512</b>	<b>\$9,681</b>	<b>\$10,623</b>	<b>\$11,009</b>	<b>\$11,658</b>	<b>\$9,512</b>	<b>\$11,658</b>
<b>Specialty Equity <sup>1</sup></b>							
Beginning balance	\$1,044	\$1,447	\$6,354	\$6,693	\$6,413	\$208	\$1,447
Inflows	369	639	394	234	260	1,188	1,527
Outflows	(180)	(512)	(525)	(464)	(453)	(444)	(1,954)
Net Flows	189	127	(131)	(230)	(193)	744	(427)
Market performance	241	(161)	488	(40)	249	530	536
Other <sup>2</sup>	(27)	4,941	(18)	(10)	(190)	(35)	4,723
<b>Ending Balance</b>	<b>\$1,447</b>	<b>\$6,354</b>	<b>\$6,693</b>	<b>\$6,413</b>	<b>\$6,279</b>	<b>\$1,447</b>	<b>\$6,279</b>
<b>Total Equity</b>							
Beginning balance	\$72,811	\$86,268	\$106,183	\$113,751	\$112,732	\$62,611	\$86,268
Inflows	6,732	7,156	6,223	4,928	5,679	23,712	23,986
Outflows	(4,276)	(5,906)	(5,219)	(5,526)	(5,184)	(17,228)	(21,835)
Net Flows	2,456	1,250	1,004	(598)	495	6,484	2,151
Market performance	11,335	4,217	6,555	(409)	4,290	17,841	14,653
Other <sup>2</sup>	(334)	14,448	9	(12)	(971)	(668)	13,474
<b>Ending Balance</b>	<b>\$86,268</b>	<b>\$106,183</b>	<b>\$113,751</b>	<b>\$112,732</b>	<b>\$116,546</b>	<b>\$86,268</b>	<b>\$116,546</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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Leveraged Finance</b>							
Beginning balance	\$10,529	\$10,730	\$11,981	\$12,270	\$12,210	\$12,288	\$10,730
Inflows	466	847	684	577	666	2,392	2,774
Outflows	(534)	(529)	(552)	(692)	(839)	(3,938)	(2,612)
Net Flows	(68)	318	132	(115)	(173)	(1,546)	162
Market performance	314	121	189	98	73	187	481
Other <sup>1</sup>	(45)	812	(32)	(43)	(41)	(199)	696
<b>Ending Balance</b>	<b>\$10,730</b>	<b>\$11,981</b>	<b>\$12,270</b>	<b>\$12,210</b>	<b>\$12,069</b>	<b>\$10,730</b>	<b>\$12,069</b>
<b>Multi-Sector</b>							
Beginning balance	\$8,825	\$9,128	\$9,428	\$9,567	\$9,690	\$9,288	\$9,128
Inflows	588	923	672	557	547	2,532	2,699
Outflows	(463)	(603)	(616)	(437)	(556)	(2,988)	(2,212)
Net Flows	125	320	56	120	(9)	(456)	487
Market performance	197	(61)	108	23	(31)	424	39
Other <sup>1</sup>	(19)	41	(25)	(20)	(17)	(128)	(21)
<b>Ending Balance</b>	<b>\$9,128</b>	<b>\$9,428</b>	<b>\$9,567</b>	<b>\$9,690</b>	<b>\$9,633</b>	<b>\$9,128</b>	<b>\$9,633</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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Investment Grade</b>							
Beginning balance	\$8,778	\$8,883	\$8,509	\$8,245	\$7,924	\$7,891	\$8,883
Inflows	515	427	337	274	229	2,309	1,267
Outflows	(445)	(366)	(601)	(572)	(933)	(1,863)	(2,472)
Net Flows	70	61	(264)	(298)	(704)	446	(1,205)
Market performance	76	(187)	95	(1)	(11)	496	(104)
Other <sup>1</sup>	(41)	(248)	(95)	(22)	(32)	50	(397)
<b>Ending Balance</b>	<b>\$8,883</b>	<b>\$8,509</b>	<b>\$8,245</b>	<b>\$7,924</b>	<b>\$7,177</b>	<b>\$8,883</b>	<b>\$7,177</b>
<b>Hybrid</b>							
Beginning balance	\$141	\$224	\$5,151	\$5,344	\$5,416	\$97	\$224
Inflows	59	383	360	333	313	160	1,389
Outflows	0	(179)	(325)	(200)	(272)	(25)	(976)
Net Flows	59	204	35	133	41	135	413
Market performance	28	(37)	190	(28)	44	3	169
Other <sup>1</sup>	(4)	4,760	(32)	(33)	(119)	(11)	4,576
<b>Ending Balance</b>	<b>\$224</b>	<b>\$5,151</b>	<b>\$5,344</b>	<b>\$5,416</b>	<b>\$5,382</b>	<b>\$224</b>	<b>\$5,382</b>
<b>Total Fixed Income</b>							
Beginning balance	\$28,273	\$28,965	\$35,069	\$35,426	\$35,240	\$29,564	\$28,965
Inflows	1,628	2,580	2,053	1,741	1,755	7,393	8,129
Outflows	(1,442)	(1,677)	(2,094)	(1,901)	(2,600)	(8,814)	(8,272)
Net Flows	186	903	(41)	(160)	(845)	(1,421)	(143)
Market performance	615	(164)	582	92	75	1,110	585
Other <sup>1</sup>	(109)	5,365	(184)	(118)	(209)	(288)	4,854
<b>Ending Balance</b>	<b>\$28,965</b>	<b>\$35,069</b>	<b>\$35,426</b>	<b>\$35,240</b>	<b>\$34,261</b>	<b>\$28,965</b>	<b>\$34,261</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 change in assets 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>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Multi-Asset <sup>1</sup></b>							
Beginning balance	\$11,105	\$12,201	\$22,498	\$23,668	\$23,641	\$11,487	\$12,201
Inflows	211	561	674	672	583	812	2,490
Outflows	(132)	(329)	(488)	(392)	(397)	(617)	(1,606)
Net Flows	79	232	186	280	186	195	884
Market performance	965	337	1,145	(153)	1,283	703	2,612
Other <sup>2</sup>	52	9,728	(161)	(154)	(257)	(184)	9,156
<b>Ending Balance</b>	<b>\$12,201</b>	<b>\$22,498</b>	<b>\$23,668</b>	<b>\$23,641</b>	<b>\$24,853</b>	<b>\$12,201</b>	<b>\$24,853</b>
<b>Alternative <sup>3</sup></b>							
Beginning balance	\$4,298	\$4,760	\$5,130	\$5,793	\$5,692	\$5,242	\$4,760
Inflows	370	314	600	282	695	1,511	1,891
Outflows	(399)	(266)	(413)	(376)	(596)	(1,416)	(1,651)
Net Flows	(29)	48	187	(94)	99	95	240
Market performance	516	300	500	17	685	(430)	1,502
Other <sup>2</sup>	(25)	22	(24)	(24)	5,050	(147)	5,024
<b>Ending Balance</b>	<b>\$4,760</b>	<b>\$5,130</b>	<b>\$5,793</b>	<b>\$5,692</b>	<b>\$11,526</b>	<b>\$4,760</b>	<b>\$11,526</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 change in assets 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 event-driven, real estate securities, infrastructure, long/short, and other strategies

# INVESTMENT MANAGEMENT FEES

## AVERAGE ASSETS <sup>1</sup> BY PRODUCT



	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>Q4:21</u>	<u>TY:20</u>	<u>TY:21</u>
U.S. Retail Funds	\$45,675	\$63,872	\$71,599	\$72,476	\$76,288	\$41,204	\$71,059
Offshore Funds	1,049	1,265	1,411	1,453	1,426	731	1,389
Variable Insurance Funds	1,058	1,110	1,116	1,144	1,202	955	1,143
Total – Open-End Funds	\$47,782	\$66,247	\$74,126	\$75,073	\$78,916	\$42,891	\$73,591
Closed-End Funds	\$5,847	\$9,340	\$11,936	\$12,091	\$12,043	\$5,920	\$11,352
Exchange Traded Funds	\$683	\$890	\$1,159	\$1,295	\$1,387	\$687	\$1,183
Intermediary Sold Managed Accounts	\$19,457	\$26,219	\$31,134	\$34,125	\$34,973	\$16,394	\$31,613
Private Client	5,270	5,899	6,110	6,453	6,555	4,820	6,254
Total – Retail Separate Accounts	\$24,727	\$32,118	\$37,244	\$40,578	\$41,528	\$21,214	\$37,867
Institutional Accounts	\$37,989	\$41,764	\$44,538	\$46,739	\$46,959	\$34,628	\$45,000
Structured Products	\$4,068	\$3,985	\$3,875	\$3,803	\$3,734	\$4,173	\$3,849
<b>Total</b>	<b>\$121,096</b>	<b>\$154,344</b>	<b>\$172,878</b>	<b>\$179,579</b>	<b>\$184,567</b>	<b>\$109,512</b>	<b>\$172,841</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)



	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>Q4:21</u>	<u>TY:20</u>	<u>TY:21</u>
Total Open-End Funds	59.1	54.2	52.2	52.2	54.5	57.8	53.3
Revenue related adjustments	(7.3)	(6.2)	(5.8)	(5.9)	(5.2)	(7.7)	(5.8)
Total Open-End Funds, Net	51.8	48.0	46.4	46.3	49.3	50.1	47.5
Closed-End Funds, Net	62.2	56.2	55.1	56.2	55.5	62.2	55.8
Exchange Traded Funds	9.1	11.9	17.8	13.7	9.2	15.3	13.1
Revenue related adjustments	(5.8)	(5.2)	(3.8)	(3.3)	(2.7)	(8.8)	(3.7)
Exchange Traded Funds, Net	3.3	6.7	14.0	10.4	6.5	6.5	9.4
Total Retail Separate Accounts	48.9	47.4	45.7	45.6	46.1	49.5	46.2
Revenue related adjustments	(1.8)	(1.7)	(1.5)	(1.6)	(1.5)	(2.0)	(1.6)
Total Retail Separate Accounts, Net	47.1	45.7	44.2	44.0	44.6	47.5	44.6
Institutional Accounts <sup>2</sup> , Net	34.6	31.5	32.2	31.0	32.4	31.7	31.8
Structured Products, Net	31.1	38.8	40.0	35.1	35.2	31.5	37.3
Total Products <sup>3</sup>	48.4	46.2	45.4	44.9	46.4	47.0	45.8
Revenue related adjustments	(3.5)	(3.1)	(2.9)	(2.9)	(2.7)	(3.5)	(2.9)
<b>Total Products, Net</b>	<b>44.9</b>	<b>43.1</b>	<b>42.5</b>	<b>42.0</b>	<b>43.7</b>	<b>43.5</b>	<b>42.9</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 December 31, 2020, March 31, 2021, June 30, 2021, September 30, 2021, and December 31, 2021 that increased the fee rate by 3.9 basis points, 0.6 basis points, 0.7 basis points, 0.5 basis points and 0.6 basis points, respectively

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

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

Q4 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	213,673	2,323	(12,567)	—	—	—	—	203,429
Distribution and service fees	23,464	1	(23,465)	—	—	—	—	—
Administration and shareholder service fees	27,615	50	—	—	—	—	—	27,665
Other income and fees	1,510	—	—	—	—	—	—	1,510
Total revenues	266,262	2,374	(36,032)	—	—	—	—	232,604
<b>Operating Expenses</b>								
Employment expenses	91,496	—	—	—	—	846	(346)	91,996
Distribution and other asset-based expenses	36,032	—	(36,032)	—	—	—	—	—
Other operating expenses	25,808	—	—	—	—	(2,900)	(28)	22,880
Operating expenses of CIP	1,705	(1,705)	—	—	—	—	—	—
Change in fair value of contingent consideration	12,400	—	—	—	—	(12,400)	—	—
Depreciation expense	906	—	—	—	—	—	—	906
Amortization expense	14,262	—	—	(14,262)	—	—	—	—
Total operating expenses	182,609	(1,705)	(36,032)	(14,262)	—	(14,454)	(374)	115,782
<b>Operating Income (Loss)</b>	83,653	4,079	—	14,262	—	14,454	374	116,822
<b>Other Income (Expense)</b>								
Realized and unrealized gain (loss) on investments, net	1,026	114	—	—	(1,285)	—	—	(145)
Realized and unrealized gain (loss) of CIP, net	2,980	(2,980)	—	—	—	—	—	—
Other income (expense), net	632	—	—	—	—	—	—	632
Total other income (expense), net	4,638	(2,866)	—	—	(1,285)	—	—	487
<b>Interest Income (Expense)</b>								
Interest expense	(2,322)	—	—	—	—	—	—	(2,322)
Interest and dividend income	793	979	—	—	—	—	—	1,772
Interest and dividend income of CIP	20,765	(20,765)	—	—	—	—	—	—
Interest expense of CIP	(18,056)	18,056	—	—	—	—	—	—
Total interest income (expense), net	1,180	(1,730)	—	—	—	—	—	(550)
<b>Income (Loss) Before Income Taxes</b>	89,471	(517)	—	14,262	(1,285)	14,454	374	116,759
Income tax expense (benefit)	27,458	—	—	3,844	(2,880)	3,896	(850)	31,468
<b>Net Income (Loss)</b>	62,013	(517)	—	10,418	1,595	10,558	1,224	85,291
Noncontrolling interests	(12,173)	517	—	(736)	—	—	9,231	(3,161)
<b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b>	49,840	—	—	9,682	1,595	10,558	10,455	82,130
Earnings (Loss) Per Share - Diluted	6.29							10.36
Weighted Average Shares Outstanding - Diluted	7,929							7,929

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

Q3 2021<sub>(UNAUDITED)</sub>



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

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

Q2 2021 (UNAUDITED)



		Reclassification	Other adjustments					
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
<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
Total revenues	244,011	2,340	(36,021)	—	—	—	—	210,330
<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)	—	—	—	—
Total operating expenses	157,600	(659)	(36,021)	(10,363)	—	(2,667)	(494)	107,396
<b>Operating Income (Loss)</b>	86,411	2,999	—	10,363	—	2,667	494	102,934
<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
Total other income (expense), net	6,067	2,960	—	—	(7,725)	—	—	1,302
<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	—	—	—	—	—	—
Total interest income (expense), net	6,020	(7,191)	—	—	—	—	—	(1,171)
<b>Income (Loss) Before Income Taxes</b>	98,498	(1,232)	—	10,363	(7,725)	2,667	494	103,065
Income tax expense (benefit)	22,401	—	—	2,754	(521)	709	2,051	27,394
<b>Net Income (Loss)</b>	76,097	(1,232)	—	7,609	(7,204)	1,958	(1,557)	75,671
Noncontrolling interests	(13,130)	1,232	—	(736)	—	—	9,624	(3,010)
<b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b>	62,967	—	—	6,873	(7,204)	1,958	8,067	72,661
Earnings (Loss) Per Share - Diluted	7.86							9.07
Weighted Average Shares Outstanding - Diluted	8,007							8,007

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

Q1 2021 (UNAUDITED)



	Reclassification		Other adjustments					
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
<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
Total revenues	216,897	2,673	(32,294)	—	—	—	—	187,276
<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)	—	—	—	—
Total operating expenses	154,755	(559)	(32,294)	(9,465)	—	(2,647)	(480)	109,310
<b>Operating Income (Loss)</b>	62,142	3,232	—	9,465	—	2,647	480	77,966
<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
Total other income (expense), net	(2,025)	5,256	—	—	(1,533)	—	—	1,698
<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	—	—	—	—	—	—
Total interest income (expense), net	7,250	(8,518)	—	—	—	—	—	(1,268)
<b>Income (Loss) Before Income Taxes</b>	67,367	(30)	—	9,465	(1,533)	2,647	480	78,396
Income tax expense (benefit)	15,153	—	—	2,528	(377)	707	2,931	20,942
<b>Net Income (Loss)</b>	52,214	(30)	—	6,937	(1,156)	1,940	(2,451)	57,454
Noncontrolling interests	(15,626)	30	—	(736)	—	—	13,498	(2,834)
<b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b>	36,588	—	—	6,201	(1,156)	1,940	11,047	54,620
Earnings (Loss) Per Share - Diluted	4.54							6.78
Weighted Average Shares Outstanding - Diluted	8,052							8,052



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

Q4 2020 (UNAUDITED)



	Reclassification		Other adjustments					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
Total revenues	171,646	2,581	(20,686)	—	—	—	—	153,541
<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)	—	—	—	—
Total operating expenses	120,715	(641)	(20,686)	(7,529)	—	344	(580)	91,623
<b>Operating Income (Loss)</b>	50,931	3,222	—	7,529	—	(344)	580	61,918
<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
Total other income (expense), net	16,909	3,106	—	—	(18,798)	—	—	1,217
<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	—	—	—	—	—	—
Total interest income (expense), net	8,062	(9,620)	—	—	—	—	—	(1,558)
<b>Income (Loss) Before Income Taxes</b>	75,902	(3,292)	—	7,529	(18,798)	(344)	580	61,577
Income tax expense (benefit)	14,088	—	—	2,055	49	(94)	706	16,804
<b>Net Income (Loss)</b>	61,814	(3,292)	—	5,474	(18,847)	(250)	(126)	44,773
Noncontrolling interests	(18,499)	3,292	—	(735)	—	—	12,531	(3,411)
<b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b>	43,315	—	—	4,739	(18,847)	(250)	12,405	41,362
Earnings (Loss) Per Share - Diluted	5.40							5.15
Weighted Average Shares Outstanding - Diluted	8,026							8,026

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

TY 2021 (UNAUDITED)



		Reclassification	Other adjustments					
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
<b>Revenues</b>								
Investment management fees	781,585	9,514	(50,476)	—	—	—	—	740,623
Distribution and service fees	90,555	8	(90,563)	—	—	—	—	—
Administration and shareholder service fees	102,531	163	—	—	—	—	—	102,694
Other income and fees	4,563	—	—	—	—	—	—	4,563
Total revenues	979,234	9,685	(141,039)	—	—	—	—	847,880
<b>Operating Expenses</b>								
Employment expenses	358,230	—	—	—	—	(1,065)	(1,765)	355,400
Distribution and other asset-based expenses	141,039	—	(141,039)	—	—	—	—	—
Other operating expenses	90,134	—	—	—	—	(8,574)	(813)	80,747
Operating expenses of CIP	3,562	(3,562)	—	—	—	—	—	—
Change in fair value of contingent consideration	12,400	—	—	—	—	(12,400)	—	—
Depreciation expense	3,900	—	—	—	—	—	—	3,900
Amortization expense	44,481	—	—	(44,481)	—	—	—	—
Total operating expenses	653,746	(3,562)	(141,039)	(44,481)	—	(22,039)	(2,578)	440,047
<b>Operating Income (Loss)</b>	325,488	13,247	—	44,481	—	22,039	2,578	407,833
<b>Other Income (Expense)</b>								
Realized and unrealized gain (loss) on investments, net	3,907	9,028	—	—	(12,653)	—	—	282
Realized and unrealized gain (loss) of CIP, net	(1,761)	1,761	—	—	—	—	—	—
Other income (expense), net	4,230	—	—	—	—	—	—	4,230
Total other income (expense), net	6,376	10,789	—	—	(12,653)	—	—	4,512
<b>Interest Income (Expense)</b>								
Interest expense	(9,240)	—	—	—	—	—	180	(9,060)
Interest and dividend income	1,364	3,552	—	—	—	—	—	4,916
Interest and dividend income of CIP	90,080	(90,080)	—	—	—	—	—	—
Interest expense of CIP	(60,398)	60,398	—	—	—	—	—	—
Total interest income (expense), net	21,806	(26,130)	—	—	—	—	180	(4,144)
<b>Income (Loss) Before Income Taxes</b>	353,670	(2,094)	—	44,481	(12,653)	22,039	2,758	408,201
Income tax expense (benefit)	90,835	—	—	11,877	(4,557)	5,913	4,849	108,917
<b>Net Income (Loss)</b>	262,835	(2,094)	—	32,604	(8,096)	16,126	(2,091)	299,284
Noncontrolling interests	(54,704)	2,094	—	(2,944)	—	—	43,194	(12,360)
<b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b>	208,131	—	—	29,660	(8,096)	16,126	41,103	286,924
Earnings (Loss) Per Share - Diluted	26.01							35.85
Weighted Average Shares Outstanding - Diluted	8,003							8,003

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

TY 2020 (UNAUDITED)



		Reclassification	Other adjustments						
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Restructuring and Severance	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
<b>Revenues</b>									
Investment management fees	505,338	9,239	(38,573)	—	—	—	—	—	476,004
Distribution and service fees	38,425	12	(38,437)	—	—	—	—	—	—
Administration and shareholder service fees	59,463	221	—	—	—	—	—	—	59,684
Other income and fees	670	—	—	—	—	—	—	—	670
Total revenues	603,896	9,472	(77,010)	—	—	—	—	—	536,358
<b>Operating Expenses</b>									
Employment expenses	267,299	—	—	—	—	—	(655)	(1,189)	265,455
Distribution and other asset-based expenses	77,010	—	(77,010)	—	—	—	—	—	—
Other operating expenses	69,896	—	—	—	—	—	(171)	—	69,725
Operating expenses of CIP	10,585	(10,585)	—	—	—	—	—	—	—
Restructuring and severance	1,155	—	—	(1,155)	—	—	—	—	—
Depreciation expense	4,660	—	—	—	—	—	—	—	4,660
Amortization expense	30,127	—	—	—	(30,127)	—	—	—	—
Total operating expenses	460,732	(10,585)	(77,010)	(1,155)	(30,127)	—	(826)	(1,189)	339,840
<b>Operating Income (Loss)</b>	143,164	20,057	—	1,155	30,127	—	826	1,189	196,518
<b>Other Income (Expense)</b>									
Realized and unrealized gain (loss) on investments, net	7,139	(5,173)	—	—	—	(2,559)	—	—	(593)
Realized and unrealized gain (loss) of CIP, net	(1,965)	1,965	—	—	—	—	—	—	—
Other income (expense), net	1,876	—	—	—	—	—	—	—	1,876
Total other income (expense), net	7,050	(3,208)	—	—	—	(2,559)	—	—	1,283
<b>Interest Income (Expense)</b>									
Interest expense	(11,894)	—	—	—	—	—	—	(704)	(12,598)
Interest and dividend income	1,367	5,066	—	—	—	—	—	—	6,433
Interest and dividend income of CIP	109,648	(109,648)	—	—	—	—	—	—	—
Interest expense of CIP	(85,437)	85,437	—	—	—	—	—	—	—
Total interest income (expense), net	13,684	(19,145)	—	—	—	—	—	(704)	(6,165)
<b>Income (Loss) Before Income Taxes</b>	163,898	(2,296)	—	1,155	30,127	(2,559)	826	485	191,636
Income tax expense (benefit)	43,935	—	—	316	8,363	398	213	(184)	53,041
<b>Net Income (Loss)</b>	119,963	(2,296)	—	839	21,764	(2,957)	613	669	138,595
Noncontrolling interests	(40,006)	2,296	—	—	(2,954)	—	—	31,383	(9,281)
<b>Net Income (Loss) Attributable to Virtus Investment Partners, Inc.</b>	79,957	—	—	839	18,810	(2,957)	613	32,052	129,314
Earnings (Loss) Per Share - Diluted	10.02								16.21
Weighted Average Shares Outstanding - Diluted	7,976								7,976

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, change in fair value of contingent consideration, certain professional fees, and financing fees. Integration expenses include costs incurred that are directly attributable to combining businesses, including compensation, restructuring and severance charges, professional fees, consulting fees, and other expenses. Management believes that making these adjustments aids in comparing the company's operating results with other asset management firms that have not engaged in acquisitions.
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. 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>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Acquisition and Integration Expenses</b>							
Employment expenses	\$(515)	\$867	\$615	\$429	\$(846)	\$655	\$1,065
Other operating expenses	171	1,780	2,052	1,842	2,900	171	8,574
Change in fair value of contingent consideration	—	—	—	—	12,400	—	12,400
<b>Total Acquisition and Integration Operating Expenses</b>	<b>\$(344)</b>	<b>\$2,647</b>	<b>\$2,667</b>	<b>\$2,271</b>	<b>\$14,454</b>	<b>\$826</b>	<b>\$22,039</b>
	<u>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>TY:20</u>	<u>TY:21</u>
<b>Other</b>							
Non-capitalized debt issuance costs	\$—	\$—	\$—	\$785	\$28	\$—	\$813
Employment expense fair value adjustments	580	480	494	445	346	1,189	1,765
(Gain) / loss on extinguishment or modification of debt	—	—	—	180	—	(704)	180
Tax impact of adjustments	(158)	(128)	(131)	(373)	(101)	(125)	(733)
Other discrete tax adjustments	(548)	(2,803)	(1,920)	(344)	951	309	(4,116)
Affiliate minority interest fair value adjustments	12,531	13,498	9,624	10,841	9,231	31,383	43,194
<b>Total Other</b>	<b>\$12,405</b>	<b>\$11,047</b>	<b>\$8,067</b>	<b>\$11,534</b>	<b>\$10,455</b>	<b>\$32,052</b>	<b>\$41,103</b>

