



First Quarter 2017  
Earnings Presentation  
April 28, 2017

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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. These statements may be identified by such forward-looking terminology as “expect,” “estimate,” “plan,” “intend,” “believe,” “anticipate,” “may,” “will,” “should,” “could,” “continue,” “project,” or similar statements or variations of such terms.

Our forward-looking statements are based on a series of expectations, assumptions and projections about our company, are not guarantees of future results or performance, and involve substantial risks and uncertainty, including assumptions and projections concerning our assets under management, cash inflows and outflows, operating cash flows, our ability to expand distribution and product offerings, and future credit facilities, for all forward periods. All of our forward-looking statements are as of the date of this release 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 2016 Annual Report on Form 10-K, as well as the following risks and uncertainties: (a) any reduction in our assets under management; (b) the withdrawal, renegotiation or termination of investment advisory agreements; (c) damage to our reputation; (d) failure to comply with investment guidelines or other contractual requirements; (e) the inability to attract and retain key personnel; (f) challenges from the competition we face in our business; (g) adverse regulatory and legal developments; (h) unfavorable changes in tax laws or limitations; (i) adverse developments related to unaffiliated subadvisers; (j) negative implications of changes in key distribution relationships; (k) interruptions in or failure to provide service by third-parties; (l) volatility associated with our common stock; (m) adverse civil litigation and government investigations or proceedings; (n) the risk of loss on our investments; (o) the inability to make quarterly distributions; (p) the lack of sufficient capital on satisfactory terms; (q) liabilities and losses not covered by insurance; (r) the inability to satisfy financial covenants; (s) the failure to complete the acquisition of RidgeWorth; (t) the inability to achieve expected acquisition-related financial benefits and synergies; and other risks and uncertainties described in our 2016 Annual Report on Form 10-K or in any of our filings with the Securities and Exchange Commission (“SEC”).

Certain other factors which may impact our continuing operations, prospects, financial results and liquidity, or which 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 which modify or impact any of the forward-looking statements contained in or accompanying this presentation, such statements or disclosures will be deemed to modify or supersede such statements in this presentation.

# AGENDA

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- Overview of First Quarter
- RidgeWorth Update
- First Quarter Results
- Appendix



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## OVERVIEW OF FIRST QUARTER

# OVERVIEW OF FIRST QUARTER

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## Assets and Flows

- Assets under management increased 6% sequentially to \$48.0 billion
- Total sales of \$3.3 billion increased \$0.6 billion, or 24%, from \$2.6 billion in the fourth quarter
- Positive net flows of \$0.5 billion reflect an organic growth rate of 4.6% annualized
- Continued positive flows in separately managed accounts, ETFs, and institutional

## Non-GAAP Financial Results

- Earnings per diluted share, as adjusted, of \$1.16 include (\$0.41) per share of specific employment expense items and (\$0.24) per share due to higher share count; Q4:16 EPS, as adjusted, of \$1.75
- Operating margin, as adjusted, of 21% compared with 28% in the prior quarter; excluding specific employment expense items margin was 28%

## Capital Activities

- Issued equity for net proceeds of \$221 million and priced a \$260 million, seven-year term loan in preparation for the pending acquisition of RidgeWorth Investments
- Cash and investments of \$441 million or \$55 on a per-share basis<sup>1</sup>

<sup>1</sup> Assumes conversion of preferred shares to common shares at period end  
See the appendix for U.S. GAAP to Non-GAAP ("as adjusted") reconciliations and related notes

## Closing and Integration

- Financing, both equity and debt, in place
- Significant progress in client consent process
- Execution on integration plan proceeding as expected

## Business Results

- Positive total net flows of \$0.5 billion; inflows in institutional and mutual funds
- Revenue increased 2% sequentially; average fee rate of 34.3 bps excludes performance fees
- Investment performance remained strong with 86% of rated assets in 4- and 5-star funds<sup>1</sup>

## Financial Impact

- Estimated synergies of \$25 million unchanged
- Accretion estimate increased to approximately 20%
- Expect to close in mid-2017

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<sup>1</sup> Overall Morningstar Rating as of March 31, 2017; see Appendix for additional information



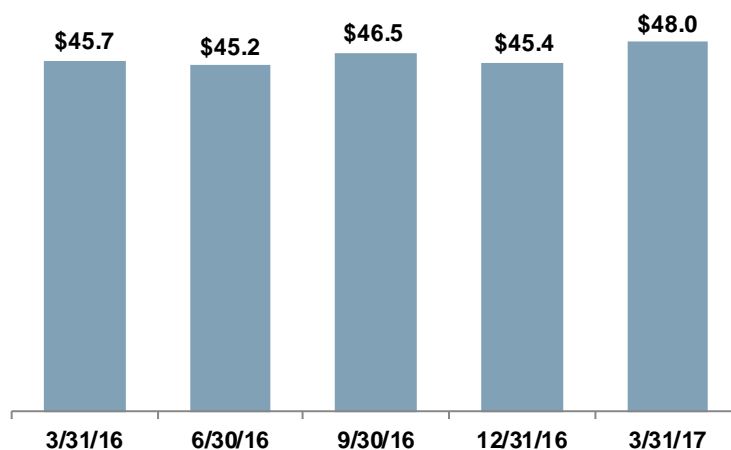
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## FIRST QUARTER RESULTS

# ASSETS UNDER MANAGEMENT



## Quarterly Trends



### Assets by Asset Class

Asset Class	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17
Equity	59.3%	58.0%	57.3%	56.9%	58.3%
Fixed	32.8%	34.2%	33.9%	34.2%	33.1%
Alternatives <sup>1</sup>	6.8%	6.8%	7.9%	7.8%	7.6%
Other <sup>2</sup>	1.1%	1.0%	0.9%	1.1%	1.0%

\$ in billions

<sup>1</sup> Consists of real estate securities, master limited partnerships, and other

<sup>2</sup> Consists of option strategies

## Commentary

Trend reflects impact of net flows and market performance

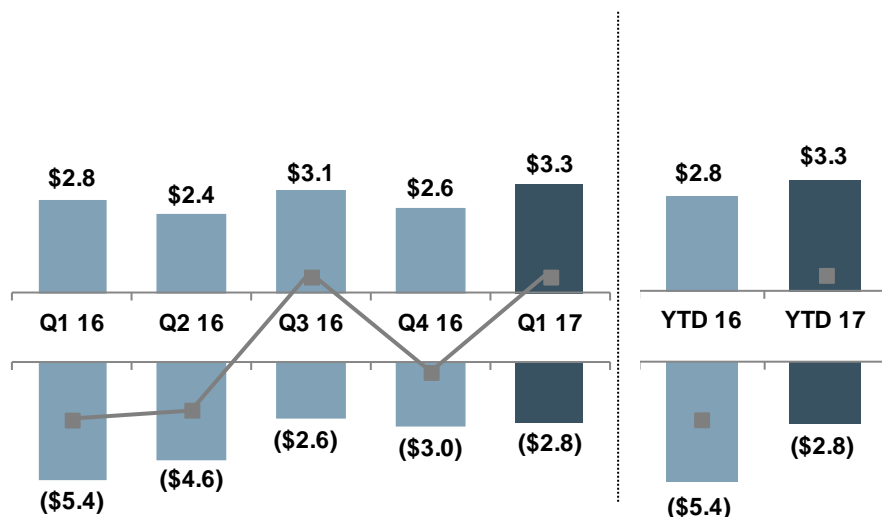
- Sequential increase of \$2.6 billion, or 6%, primarily reflects market appreciation of \$2.4 billion and net inflows of \$0.5 billion
- Sequential changes by product category were as follows:
  - Open-end fund assets increased 5% to \$24.7 billion
  - Separately managed accounts increased 10% to \$9.3 billion
  - Closed-end fund assets increased 1% to \$6.8 billion
  - Institutional assets increased 3% to \$6.3 billion
  - ETF assets increased 45% to \$0.9 billion



# ASSET FLOWS

## Inflows/ (Outflows)

■ Net flows



### Sales Metrics

#### Net Flows

(\$2.6)	(\$2.2)	\$0.5	(\$0.4)	\$0.5	(\$2.6)	\$0.5
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#### Net Flow Rate<sup>1</sup>

(22.2%)	(19.0%)	4.3%	(3.2%)	4.6%	(22.2%)	4.6%
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## Commentary

Flows reflect market trends, product breadth and investment performance

- Sales increased \$0.6 billion, or 24%, sequentially due to higher mutual fund, SMA, and ETF sales
- Redemptions decreased \$0.3 billion, or 9%, sequentially primarily due to mutual funds
- Net flows of \$0.5 billion included:
  - Separately managed accounts net flows of \$0.4 billion
  - ETF net flows of \$0.2 billion
  - Institutional net flows of \$0.1 billion
  - Open-end mutual fund net flows of (\$0.1) billion

\$ in billions

<sup>1</sup> Annualized net flows divided by beginning of period AUM

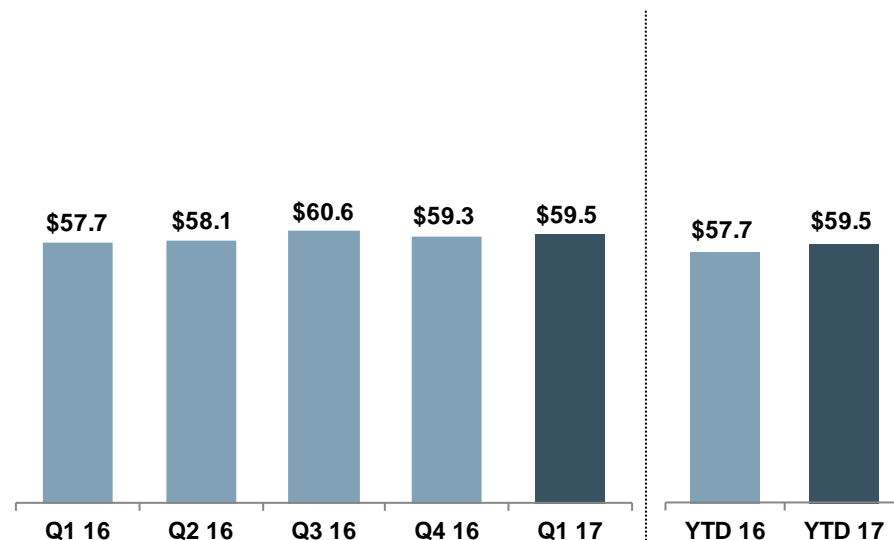
# INVESTMENT MANAGEMENT FEES, AS ADJUSTED



## Quarterly Results

## Year to Date

## Commentary



Metrics						
Net Fee Rate <sup>1</sup> – BPS						
	49.7	51.1	51.8	51.2	51.3	
Average AUM - (\$Bn)						
	\$45.7	\$44.8	\$45.5	\$45.3	\$46.4	

Investment management fees reflect changes in average assets and net fee rate

- Sequential increase of \$0.2 million due to:

- 2% increase in average assets under management reflecting market appreciation and net inflows
- Partially offset by 2 fewer days in the quarter; impact of \$0.9 million

- Increase over prior-year quarter of \$1.8 million, or 3%, due primarily to increased average assets in higher-fee equity products

\$ in millions, except AUM figures, which are in billions

<sup>1</sup> Represents net investment management fees divided by average assets. Net investment management fees are net investment management fees, as adjusted, less fees paid to third party service providers for investment management related services.

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

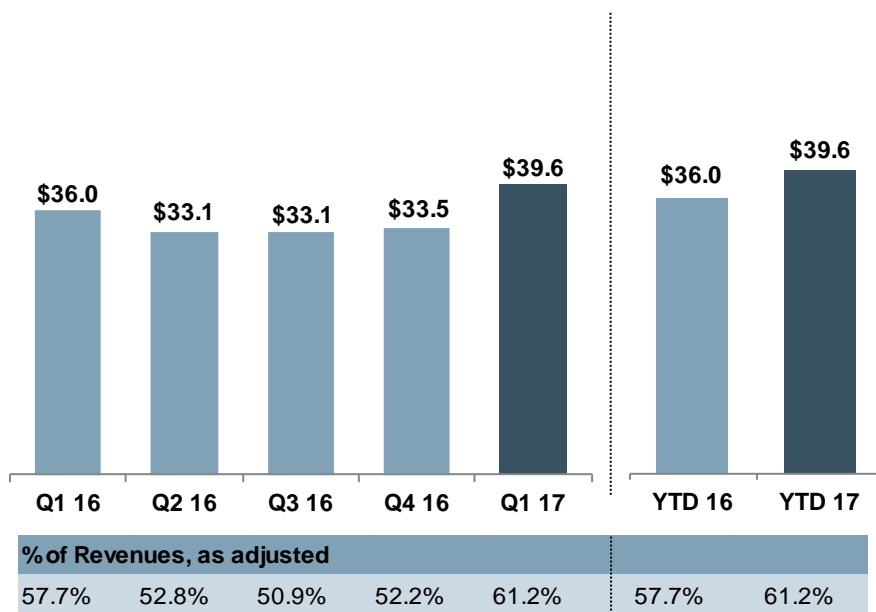
# EMPLOYMENT EXPENSES, AS ADJUSTED



## Quarterly Results

## Year to Date

## Commentary



Trend reflects staffing levels and variable incentive plans

■ Current quarter included \$4.9 million of specific employment expense items:

- Seasonal compensation expenses of \$3.4 million, primarily payroll taxes
- Incremental incentive compensation of \$1.5 million primarily related to efforts associated with the RidgeWorth transaction

■ Excluding the \$4.9 million:

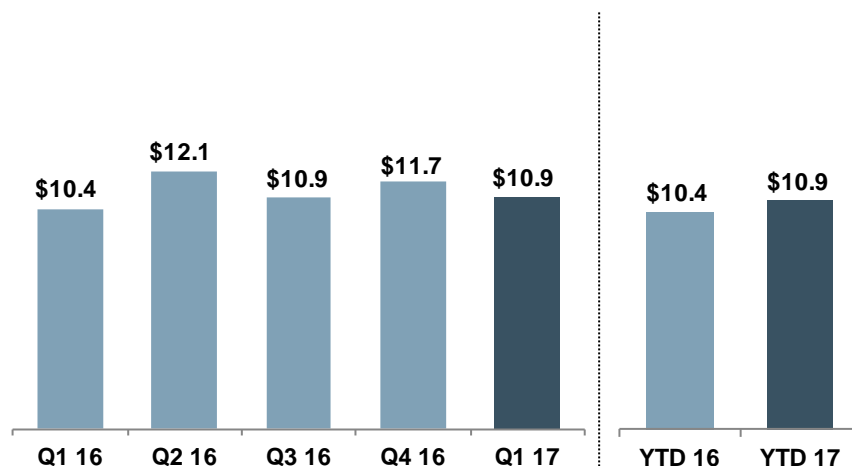
- Employment expenses, as adjusted, increased sequentially by \$1.2 million, or 4%, primarily due to higher sales-based compensation; and
- As a percentage of revenues, as adjusted, employment expenses, as adjusted, were 54%, in line with the prior quarter

# OTHER OPERATING EXPENSES, AS ADJUSTED

## Quarterly Results

## Year to Date

## Commentary



Results reflect timing of product, distribution, and operational initiatives

- Decrease of \$0.8 million, or 7%, sequentially reflects lower sales and marketing costs
- Other operating expenses, as adjusted, as a percentage of revenues, as adjusted, decreased 140 bps from prior quarter

### % of Revenues, as adjusted

16.6%	19.3%	16.8%	18.3%	16.9%	16.6%	16.9%
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\$ in millions

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

# NON-GAAP RESULTS

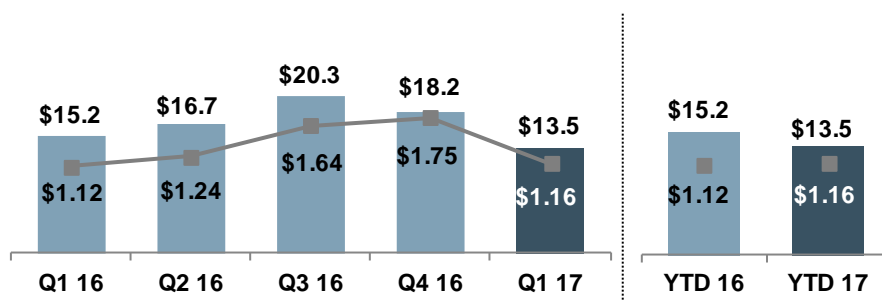
## Quarterly Results

## Year to Date

## Commentary

### Operating Income, As Adjusted

■ Diluted earnings per share, as adjusted



Profitability impacted by net flows, market performance and leveragability of the business

- Diluted EPS, as adjusted, of \$1.16 included:
  - (\$0.41) per share of specific employment expense items
  - (\$0.24) per share due to partial-quarter impact of higher share count
- 28.4% margin, excluding \$4.9 million of specific employment expenses

Metrics							
Net Income Attributable to Common Stockholders, As Adjusted							
	\$9.5	\$10.3	\$12.9	\$11.6	\$8.6	\$9.5	\$8.6
Operating Margin, As Adjusted							
	24.4%	26.6%	31.2%	28.4%	20.9%	24.4%	20.9%

\$ in millions, except per share data

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

# CAPITAL POSITION

## Select Non-GAAP Balance Sheet Items

	<u>3/31/16</u>	<u>6/30/16</u>	<u>9/30/16</u>	<u>12/31/16</u>	<u>3/31/17</u>
Cash and cash equivalents	\$50	\$156	\$165	\$65	\$236
Seed capital investments <sup>1</sup>	\$281	\$174	\$179	\$180	\$175
Investments - other <sup>2</sup>	\$52	\$38	\$38	\$29	\$31
<i>Total - Cash and investments</i>	<i>\$383</i>	<i>\$368</i>	<i>\$383</i>	<i>\$274</i>	<i>\$441</i>
Deferred taxes, net	\$49	\$46	\$45	\$48	\$46
Dividends payable	\$4	\$4	\$4	\$3	\$6
Debt	\$ -	\$ -	\$ -	\$30	\$ -
Total equity attributable to stockholders	\$506	\$466	\$470	\$322	\$552
<i>Working capital (WC)<sup>3</sup></i>	<i>\$59</i>	<i>\$152</i>	<i>\$150</i>	<i>\$28</i>	<i>\$225</i>
<i>Ending common shares outstanding</i>	<i>8.260</i>	<i>7.718</i>	<i>7.610</i>	<i>5.889</i>	<i>6.989</i>
<i>Ending preferred shares outstanding, as adjusted<sup>4</sup></i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1.045</i>
<i>Ending common shares outstanding, as adjusted<sup>4</sup></i>	<i>8.260</i>	<i>7.718</i>	<i>7.610</i>	<i>5.889</i>	<i>8.035</i>
<b>Metrics:</b>					
Cash and inv. - per share basis <sup>5</sup>	\$46	\$48	\$50	\$46	\$55
WC % of spend <sup>6</sup>	22%	53%	58%	10%	81%

\$ and shares outstanding in millions, except per share data

<sup>1</sup> Represents the company's investments in sponsored investment products including consolidated sponsored investment products (CSIPs), net of non-controlling interests

<sup>2</sup> Investments that are not related to the company's seed investments including mutual funds and a company-managed CLO

<sup>3</sup> Defined as cash and investments plus accounts receivable, net, less seed capital investments, a company-managed CLO, accrued compensation and benefits, accounts payable and accrued liabilities, and dividends payable

<sup>4</sup> Assumes conversion of preferred shares to common shares at period end

<sup>5</sup> Cash and investments divided by basic shares outstanding at period end

<sup>6</sup> Working capital divided by annualized operating expenses

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

## Commentary

Capital position reflects share repurchases and cash generated from the business

- Issued 1.047 million shares of common stock and 1.150 million shares of preferred stock; total net proceeds of \$221 million
- Priced \$260 million term loan and \$100 million revolving credit facility; term loan to be drawn at closing of transaction
- Working capital of \$225 million or 81% of annual spend
- Liquid seed investments of \$175 million



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## Appendix

# NON-GAAP INCOME STATEMENT INFORMATION



## Quarterly Trend and Year-to-Date

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Revenues, As Adjusted</b>							
Investment management fees, as adjusted	\$57,735	\$58,104	\$60,551	\$59,279	\$59,513	\$57,735	\$59,513
Distribution and service fees, as adjusted	12,502	12,179	12,122	11,500	10,793	12,502	10,793
Administration and transfer agent fees, as adjusted	10,092	9,548	9,620	9,211	9,015	10,092	9,015
Other income and fees, as adjusted	175	227	222	189	741	175	741
Distribution and other asset-based expenses, as adjusted	(18,101)	(17,432)	(17,380)	(16,136)	(15,323)	(18,101)	(15,323)
Total revenues, as adjusted	\$62,403	\$62,626	\$65,135	\$64,043	\$64,739	\$62,403	\$64,739
<b>Operating Expenses, As Adjusted</b>							
Employment expenses, as adjusted	\$35,977	\$33,065	\$33,142	\$33,457	\$39,641	\$35,977	\$39,641
Other operating expenses, as adjusted	10,351	12,099	10,947	11,702	10,928	10,351	10,928
Depreciation and other amortization, as adjusted	862	776	754	700	664	862	664
Total operating expenses, as adjusted	\$47,190	\$45,940	\$44,843	\$45,859	\$51,233	\$47,190	\$51,233
<b>Operating Income, As Adjusted</b>	<b>\$15,213</b>	<b>\$16,686</b>	<b>\$20,292</b>	<b>\$18,184</b>	<b>\$13,506</b>	<b>\$15,213</b>	<b>\$13,506</b>

\$ in thousands



# NON-GAAP INCOME STATEMENT INFORMATION



## Quarterly Trend and Year-to-Date (continued)

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Other Income (Expense), As Adjusted</b>							
Realized and unrealized gain (loss) on investments, net, as adjusted	(\$5)	\$94	\$51	\$1	\$0	(\$5)	\$0
Other income, net, as adjusted	228	(15)	250	626	646	228	646
Total other income, net, as adjusted	\$223	\$79	\$301	\$627	\$646	\$223	\$646
<b>Interest Income (Expense), As Adjusted</b>							
Interest expense, as adjusted	(\$132)	(\$129)	(\$128)	(\$290)	(\$243)	(\$132)	(\$243)
Interest and dividend income, as adjusted	138	110	116	82	115	138	115
Total interest (expense) income, net, as adjusted	\$6	(\$19)	(\$12)	(\$208)	(\$128)	\$6	(\$128)
<b>Pre-Tax Income, As Adjusted</b>	<b>\$15,442</b>	<b>\$16,746</b>	<b>\$20,581</b>	<b>\$18,603</b>	<b>\$14,024</b>	<b>\$15,442</b>	<b>\$14,024</b>
Income tax expense, as adjusted	5,920	6,448	7,693	7,003	5,407	5,920	5,407
<b>Net Income, As Adjusted</b>	<b>\$9,522</b>	<b>\$10,298</b>	<b>\$12,888</b>	<b>\$11,600</b>	<b>\$8,617</b>	<b>\$9,522</b>	<b>\$8,617</b>

# U.S. GAAP INCOME STATEMENT



## Quarterly Trend and Year-to-Date

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Revenues</b>							
Investment management fees	\$57,644	\$58,192	\$60,398	\$58,996	\$59,271	\$57,644	\$59,271
Distribution and service fees	12,478	12,167	12,116	11,489	10,783	12,478	10,783
Administration and transfer agent fees	9,998	9,499	9,588	9,176	8,981	9,998	8,981
Other income and fees	175	227	222	189	741	175	741
Total revenues	\$80,295	\$80,085	\$82,324	\$79,850	\$79,776	\$80,295	\$79,776
<b>Operating Expenses</b>							
Employment expenses	\$35,977	\$33,065	\$33,142	\$33,457	\$39,641	\$35,977	\$39,641
Distribution and other asset-based expenses	18,101	17,432	17,380	16,136	15,323	18,101	15,323
Other operating expenses	10,765	12,457	11,392	15,660	13,226	10,765	13,226
Other operating expenses of consolidated sponsored investment products	1,133	777	611	488	577	1,133	577
Other operating expenses of consolidated investment product	56	3,841	24	23	65	56	65
Restructuring and severance	-	2,391	1,879	-	-	-	-
Depreciation and other amortization	862	776	754	700	664	862	664
Amortization expense	651	603	604	603	233	651	233
Total operating expenses	\$67,545	\$71,342	\$65,786	\$67,067	\$69,729	\$67,545	\$69,729
<b>Operating Income</b>	<b>\$12,750</b>	<b>\$8,743</b>	<b>\$16,538</b>	<b>\$12,783</b>	<b>\$10,047</b>	<b>\$12,750</b>	<b>\$10,047</b>

\$ in thousands

# U.S. GAAP INCOME STATEMENT



## Quarterly Trend and Year-to-Date (continued)

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Other Income (Expense)</b>							
Realized and unrealized gain (loss) on investments, net	(\$658)	\$3,281	\$961	\$1,398	\$297	(\$658)	\$297
Realized and unrealized gain (loss) on investments of consolidated sponsored investment products, net	295	3,097	3,536	(3,110)	3,726	295	3,726
Realized and unrealized gain (loss) on investments of consolidated investment product, net	2,235	581	144	(4,030)	718	2,235	718
Other income (expense), net	228	(15)	250	626	646	228	646
Total other income (expense), net	\$2,100	\$6,944	\$4,891	(\$5,116)	\$5,387	\$2,100	\$5,387
<b>Interest Income (Expense)</b>							
Interest expense	(\$132)	(\$129)	(\$128)	(\$290)	(\$243)	(\$132)	(\$243)
Interest and dividend income	273	619	221	630	188	273	188
Interest and dividend income of investments of consolidated sponsored investment products	2,961	1,696	1,364	1,488	1,495	2,961	1,495
Interest income of consolidated investment product	2,206	2,583	4,047	4,058	4,161	2,206	4,161
Interest expense of consolidated investment product	(732)	(5,669)	(3,788)	(1,104)	(2,857)	(732)	(2,857)
Total interest income (expense), net	\$4,576	(\$900)	\$1,716	\$4,782	\$2,744	\$4,576	\$2,744
<b>Income Before Income Taxes</b>	<b>\$19,426</b>	<b>\$14,787</b>	<b>\$23,145</b>	<b>\$12,449</b>	<b>\$18,178</b>	<b>\$19,426</b>	<b>\$18,178</b>
Income tax expense	7,556	6,087	6,869	532	4,433	7,556	4,433
<b>Net Income</b>	<b>\$11,870</b>	<b>\$8,700</b>	<b>\$16,276</b>	<b>\$11,917</b>	<b>\$13,745</b>	<b>\$11,870</b>	<b>\$13,745</b>
Noncontrolling interests	493	(612)	(651)	509	(718)	493	(718)
<b>Net Income Attributable to Stockholders</b>	<b>\$12,363</b>	<b>\$8,088</b>	<b>\$15,625</b>	<b>\$12,426</b>	<b>\$13,027</b>	<b>\$12,363</b>	<b>\$13,027</b>
Preferred stockholder dividends	-	-	-	-	(2,084)	-	(2,084)
<b>Net Income Attributable to Common Stockholders</b>	<b>\$12,363</b>	<b>\$8,088</b>	<b>\$15,625</b>	<b>\$12,426</b>	<b>\$10,943</b>	<b>\$12,363</b>	<b>\$10,943</b>

\$ in thousands

# CONDENSED NON-GAAP<sup>1</sup> BALANCE SHEET



## Quarter-end Trend

	<u>3/31/16</u>	<u>6/30/16</u>	<u>9/30/16</u>	<u>12/31/16</u>	<u>03/31/17</u>
<b>Assets:</b>					
Cash and cash equivalents	\$50,402	\$155,532	\$165,421	\$64,588	\$235,930
Investments – seed capital	280,929	174,130	179,105	180,085	174,810
Investments – other	51,136	38,362	38,385	29,083	30,714
<b>Total cash and investments</b>	<b>\$382,467</b>	<b>\$368,024</b>	<b>\$382,911</b>	<b>\$273,756</b>	<b>\$441,454</b>
Investments – long term	\$16,388	\$11,502	\$13,689	\$14,465	\$15,472
Accounts receivable, net	38,022	36,253	37,409	36,229	38,169
Furniture, equipment, and leasehold improvements, net	8,692	8,348	7,865	7,729	7,263
Intangible assets, net	40,236	39,633	39,030	38,427	38,194
Goodwill	6,703	6,788	6,788	6,788	6,788
Deferred taxes, net	49,085	46,434	44,623	47,535	45,716
Other assets	17,058	13,404	14,462	16,789	25,909
<b>Total assets</b>	<b>\$558,651</b>	<b>\$530,386</b>	<b>\$546,777</b>	<b>\$441,718</b>	<b>\$618,965</b>

\$ in thousands

(1) Reflects balance sheet accounts before the consolidation of investment products

# CONDENSED NON-GAAP<sup>1</sup> BALANCE SHEET



## Quarter-end Trend (continued)

	<u>3/31/16</u>	<u>6/30/16</u>	<u>9/30/16</u>	<u>12/31/16</u>	<u>03/31/17</u>
<b>Liabilities and Equity</b>					
<b>Liabilities:</b>					
Accrued compensation and benefits	\$15,035	\$26,242	\$37,813	\$47,885	\$16,519
Accounts payable and accrued liabilities	20,563	20,448	21,429	25,176	30,365
Dividends payable	4,173	4,047	4,117	3,479	5,991
Other liabilities	13,493	13,543	13,619	13,505	13,702
Debt	-	-	-	30,000	-
<b>Total liabilities</b>	<b>\$53,264</b>	<b>\$64,280</b>	<b>\$76,978</b>	<b>\$120,045</b>	<b>\$66,577</b>
<b>Equity:</b>					
Equity attributable to stockholders	\$505,554	\$466,273	\$469,799	\$321,673	\$552,388
Noncontrolling interests	(167)	(167)	-	-	-
<b>Total liabilities and equity</b>	<b>\$558,651</b>	<b>\$530,386</b>	<b>\$546,777</b>	<b>\$441,718</b>	<b>\$618,965</b>
<b>Working capital (2)</b>	<b>\$59,119</b>	<b>\$151,909</b>	<b>\$150,414</b>	<b>\$27,693</b>	<b>\$224,848</b>

\$ in thousands

(1) Reflects balance sheet accounts before the consolidation of investment products

(2) Defined as cash and investments plus accounts receivable, net, less seed capital investments, a company-managed CLO, accrued compensation and benefits, accounts payable and accrued liabilities, and dividends payable

# ASSETS UNDER MANAGEMENT



## Quarterly Trend and Year-to-Date

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Ending Assets by Product</b>							
Open-End Funds	\$25,560.3	\$23,854.9	\$24,302.7	\$22,501.0	\$23,768.0	\$25,560.3	\$23,768.0
Variable Insurance Funds	\$975.7	\$958.9	\$963.7	\$931.8	\$948.8	\$975.7	\$948.8
<i>Total – Open-End Funds</i>	<i>\$26,536.0</i>	<i>\$24,813.8</i>	<i>\$25,266.4</i>	<i>\$23,432.8</i>	<i>\$24,716.8</i>	<i>\$26,536.0</i>	<i>\$24,716.8</i>
Closed-End Funds	\$6,543.6	\$6,959.6	\$6,887.3	\$6,757.4	\$6,814.3	\$6,543.6	\$6,814.3
Exchange Traded Funds	\$353.6	\$399.4	\$460.6	\$596.8	\$863.3	\$353.6	\$863.3
Intermediary Sold Managed Accounts (1)	\$4,151.5	\$4,462.7	\$4,888.9	\$5,403.5	\$6,035.2	\$4,151.5	\$6,035.2
High Net Worth (1)	\$2,869.6	\$2,944.5	\$3,035.9	\$3,070.0	\$3,276.9	\$2,869.6	\$3,276.9
<i>Total – Separately Managed Accounts (1)</i>	<i>\$7,021.1</i>	<i>\$7,407.2</i>	<i>\$7,924.8</i>	<i>\$8,473.5</i>	<i>\$9,312.1</i>	<i>\$7,021.1</i>	<i>\$9,312.1</i>
Institutional Accounts (1)	\$5,196.9	\$5,589.7	\$6,000.4	\$6,105.8	\$6,313.3	\$5,196.9	\$6,313.3
<b>Total</b>	<b>\$45,651.2</b>	<b>\$45,169.7</b>	<b>\$46,539.5</b>	<b>\$45,366.3</b>	<b>\$48,019.8</b>	<b>\$45,651.2</b>	<b>\$48,019.8</b>
<b>AUM by asset class (period end)</b>							
Equity	\$27,061.4	\$26,206.9	\$26,669.5	\$25,822.3	\$27,990.5	\$27,061.4	\$27,990.5
<i>% of total</i>	<i>59.3%</i>	<i>58.0%</i>	<i>57.3%</i>	<i>56.9%</i>	<i>58.3%</i>	<i>59.3%</i>	<i>58.3%</i>
Fixed Income	14,994.2	15,450.6	15,756.8	15,523.6	15,908.7	14,994.2	15,908.7
<i>% of total</i>	<i>32.8%</i>	<i>34.2%</i>	<i>33.9%</i>	<i>34.2%</i>	<i>33.1%</i>	<i>32.8%</i>	<i>33.1%</i>
Alternatives (2)	3,091.0	3,056.8	3,691.6	3,548.3	3,622.4	3,091.0	3,622.4
<i>% of total</i>	<i>6.8%</i>	<i>6.8%</i>	<i>7.9%</i>	<i>7.8%</i>	<i>7.6%</i>	<i>6.8%</i>	<i>7.6%</i>
Other (3)	504.6	455.4	421.6	472.1	498.2	504.6	498.2
<i>% of total</i>	<i>1.1%</i>	<i>1.0%</i>	<i>0.9%</i>	<i>1.1%</i>	<i>1.0%</i>	<i>1.1%</i>	<i>1.0%</i>
<b>Total</b>	<b>\$45,651.2</b>	<b>\$45,169.7</b>	<b>\$46,539.5</b>	<b>\$45,366.3</b>	<b>\$48,019.8</b>	<b>\$45,651.2</b>	<b>\$48,019.8</b>

\$ in millions

(1) Includes assets under management related to option strategies

(2) Consists of real estate securities, master-limited partnerships, and other

(3) Consists of option strategies

# AVERAGE NET FEES AND ASSETS



## Quarterly Trend and Year-to-Date

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Average Net Management Fees (1)</b>							
<i>(In basis points, annualized)</i>							
Open-End Funds	47.1	49.2	49.7	50.0	50.1	47.1	50.1
Variable Insurance Funds	53.2	55.4	61.8	62.4	61.2	53.2	61.2
<i>Total Open-End Funds</i>	<i>47.3</i>	<i>49.4</i>	<i>50.1</i>	<i>50.5</i>	<i>50.5</i>	<i>47.3</i>	<i>50.5</i>
Closed-End Funds	65.4	65.4	65.9	66.5	66.2	65.4	66.2
Exchange Traded Funds	34.6	36.2	32.4	24.6	31.7	34.6	31.7
Intermediary Sold Managed Accounts (2)	41.9	41.7	41.3	39.7	40.9	41.9	40.9
High Net Worth (2)	76.2	74.7	71.1	73.8	76.8	76.2	76.8
<i>Total Separately Managed Accounts (2)</i>	<i>56.1</i>	<i>55.2</i>	<i>53.2</i>	<i>52.8</i>	<i>53.9</i>	<i>56.1</i>	<i>53.9</i>
Institutional Accounts (2)	36.7	36.2	41.5	37.2	36.8	36.7	36.8
<b>Total</b>	<b>49.7</b>	<b>51.1</b>	<b>51.8</b>	<b>51.2</b>	<b>51.3</b>	<b>49.7</b>	<b>51.3</b>
<b>Average Assets by Product (3)</b>							
Open-End Funds	\$26,341.6	\$24,572.0	\$24,174.0	\$23,284.1	\$23,204.5	\$26,341.6	\$23,204.5
Variable Insurance Funds	\$954.3	\$965.7	\$975.9	\$939.1	\$953.1	\$954.3	\$953.1
<i>Total – Open-End Funds</i>	<i>\$27,295.9</i>	<i>\$25,537.7</i>	<i>\$25,149.9</i>	<i>\$24,223.1</i>	<i>\$24,157.6</i>	<i>\$27,295.9</i>	<i>\$24,157.6</i>
Closed-End Funds	\$6,152.3	\$6,659.9	\$6,853.4	\$6,668.9	\$6,786.1	\$6,152.3	\$6,786.1
Exchange Traded Funds	\$337.1	\$371.9	\$426.0	\$490.1	\$759.2	\$337.1	\$759.2
Intermediary Sold Managed Accounts (2)	\$3,969.7	\$4,145.4	\$4,469.0	\$4,862.7	\$5,393.6	\$3,969.7	\$5,393.6
High Net Worth (2)	\$2,798.7	\$2,869.6	\$2,944.6	\$3,035.9	\$3,070.0	\$2,798.7	\$3,070.0
<i>Total – Separately Managed Accounts (2)</i>	<i>\$6,768.4</i>	<i>\$7,015.0</i>	<i>\$7,413.6</i>	<i>\$7,898.6</i>	<i>\$8,463.6</i>	<i>\$6,768.4</i>	<i>\$8,463.6</i>
Institutional Accounts (2)	\$5,112.4	\$5,223.9	\$5,687.6	\$6,014.9	\$6,206.5	\$5,112.4	\$6,206.5
<b>Total</b>	<b>\$45,666.1</b>	<b>\$44,808.4</b>	<b>\$45,530.5</b>	<b>\$45,295.7</b>	<b>\$46,373.0</b>	<b>\$45,666.1</b>	<b>\$46,373.0</b>

\$ in millions

(1) Represents net investment management fees divided by average assets. Net investment management fees are investment management fees, as adjusted less fees paid to third party service providers for investment management related services, which impacted the fee rate in the three months ended March 31, 2017 for Open-End Funds and All Products by 1.1 and 0.7 basis points, respectively.

(2) Includes assets under management related to option strategies

(3) Averages are calculated as follows:

- Funds – average daily or weekly balances
- Separately Managed Accounts – prior quarter ending balance or average of month-end balances in quarter
- Institutional Accounts – average of month-end balances in quarter

# ASSET FLOW DETAIL



## Quarterly Trend and Year-to-Date: All Product Flows

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b><u>All Product Flows</u></b>							
Beginning balance	\$47,385.3	\$45,651.2	\$45,169.7	\$46,539.5	\$45,366.3	\$47,385.3	\$45,366.3
Inflows	2,841.1	2,390.1	3,078.0	2,630.8	3,265.3	2,841.1	3,265.3
Outflows	(5,469.0)	(4,544.0)	(2,593.4)	(3,005.9)	(2,745.8)	(5,469.0)	(2,745.8)
Net Flows	(2,627.9)	(2,153.9)	484.6	(375.1)	519.5	(2,627.9)	519.5
Market performance	1,062.8	1,786.7	942.8	(622.2)	2,362.3	1,062.8	\$2,362.3
Other (1)	(169.0)	(114.3)	(57.6)	(175.9)	(228.3)	(169.0)	(\$228.3)
<b>Ending Balance</b>	<b>\$45,651.2</b>	<b>\$45,169.7</b>	<b>\$46,539.5</b>	<b>\$45,366.3</b>	<b>\$48,019.8</b>	<b>\$45,651.2</b>	<b>\$48,019.8</b>

\$ in millions

(1) Represents open-end and closed-end mutual fund distributions, net of reinvestments, net flows of cash management strategies, net flows from non-sales related activities such as asset acquisitions/(dispositions), marketable securities investments/(withdrawals), and the impact on assets from the use of leverage



# ASSET FLOW DETAIL



## Asset Flows – Quarterly Trend and Year-to-Date by Product

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Open-End Funds</b>							
Beginning balance	\$27,865.8	\$25,560.3	\$23,854.9	\$24,302.7	\$22,501.0	\$27,865.8	\$22,501.0
Inflows	2,186.4	1,344.5	1,869.3	1,635.3	2,025.9	2,186.4	2,025.9
Outflows	(4,748.2)	(3,756.9)	(2,093.5)	(2,344.2)	(2,096.6)	(4,748.2)	(2,096.6)
Net Flows	(2,561.8)	(2,412.4)	(224.2)	(708.9)	(70.7)	(2,561.8)	(70.7)
Market performance	297.4	868.9	699.0	(1,022.3)	1,396.2	297.4	1,396.2
Other	(41.1)	(161.9)	(27.0)	(70.5)	(58.5)	(41.1)	(58.5)
<b>Ending Balance</b>	<b>\$25,560.3</b>	<b>\$23,854.9</b>	<b>\$24,302.7</b>	<b>\$22,501.0</b>	<b>\$23,768.0</b>	<b>\$25,560.3</b>	<b>\$23,768.0</b>
<b>Variable Insurance Funds</b>							
Beginning balance	\$1,016.3	\$975.7	\$958.9	\$963.7	\$931.8	\$1,016.3	\$931.8
Inflows	7.0	7.4	13.2	7.0	6.8	7.0	6.8
Outflows	(46.1)	(42.9)	(45.9)	(40.0)	(38.1)	(46.1)	(38.1)
Net Flows	(39.1)	(35.5)	(32.7)	(33.0)	(31.3)	(39.1)	(31.3)
Market performance	(1.5)	18.6	37.5	1.1	48.3	(1.5)	48.3
Other	-	0.1	-	-	-	-	-
<b>Ending Balance</b>	<b>\$975.7</b>	<b>\$958.9</b>	<b>\$963.7</b>	<b>\$931.8</b>	<b>\$948.8</b>	<b>\$975.7</b>	<b>\$948.8</b>
<b>Subtotal – Open-End Funds</b>							
Beginning balance	\$28,882.1	\$26,536.0	\$24,813.8	\$25,266.4	\$23,432.8	\$28,882.1	\$23,432.8
Inflows	2,193.4	1,351.9	1,882.5	1,642.3	2,032.7	2,193.4	2,032.7
Outflows	(4,794.3)	(3,799.8)	(2,139.4)	(2,384.2)	(2,134.7)	(4,794.3)	(2,134.7)
Net Flows	(2,600.9)	(2,447.9)	(256.9)	(741.9)	(102.0)	(2,600.9)	(102.0)
Market performance	295.9	887.5	736.5	(1,021.2)	1,444.5	295.9	1,444.5
Other	(41.1)	(161.8)	(27.0)	(70.5)	(58.5)	(41.1)	(58.5)
<b>Ending Balance</b>	<b>\$26,536.0</b>	<b>\$24,813.8</b>	<b>\$25,266.4</b>	<b>\$23,432.8</b>	<b>\$24,716.8</b>	<b>\$26,536.0</b>	<b>\$24,716.8</b>

\$ in millions

# ASSET FLOW DETAIL



## Asset Flows – Quarterly Trend and Year-to-Date by Product (continued)

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Closed-End Funds</b>							
Beginning balance	\$6,222.3	\$6,543.6	\$6,959.6	\$6,887.3	\$6,757.4	\$6,222.3	\$6,757.4
Inflows	-	-	-	-	-	-	-
Outflows	-	(103.3)	-	-	(81.6)	-	(81.6)
Net Flows	-	(103.3)	-	-	(81.6)	-	(81.6)
Market performance	421.3	481.7	(63.3)	(44.8)	280.8	421.3	280.8
Other	(100.0)	37.6	(9.0)	(85.1)	(142.3)	(100.0)	(142.3)
<b>Ending Balance</b>	<b>\$6,543.6</b>	<b>\$6,959.6</b>	<b>\$6,887.3</b>	<b>\$6,757.4</b>	<b>\$6,814.3</b>	<b>\$6,543.6</b>	<b>\$6,814.3</b>
<b>Exchange Traded Funds</b>							
Beginning balance	\$340.8	\$353.6	\$399.4	\$460.6	\$596.8	\$340.8	\$596.8
Inflows	62.3	52.8	66.9	200.8	265.7	62.3	265.7
Outflows	(33.8)	(20.8)	(19.6)	(50.6)	(23.0)	(33.8)	(23.0)
Net Flows	28.5	32.0	47.3	150.2	242.7	28.5	242.7
Market performance	(13.6)	17.4	19.4	(2.9)	34.6	(13.6)	34.6
Other	(2.1)	(3.6)	(5.5)	(11.1)	(10.8)	(2.1)	(10.8)
<b>Ending Balance</b>	<b>\$353.6</b>	<b>\$399.4</b>	<b>\$460.6</b>	<b>\$596.8</b>	<b>\$863.3</b>	<b>\$353.6</b>	<b>\$863.3</b>

# ASSET FLOW DETAIL



## Asset Flows – Quarterly Trend and Year-to-Date by Product (continued)

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Intermediary Sold Managed Accounts</b>							
Beginning balance	\$3,985.7	\$4,151.5	\$4,462.7	\$4,888.9	\$5,403.5	\$3,985.7	\$5,403.5
Inflows	295.9	337.5	418.0	348.7	480.9	295.9	480.9
Outflows	(235.0)	(148.3)	(102.6)	(183.7)	(164.0)	(235.0)	(164.0)
Net Flows	60.9	189.2	315.4	165.0	316.9	60.9	316.9
Market performance	104.9	122.0	110.8	349.6	314.8	104.9	314.8
Other	-	-	-	-	-	-	-
<b>Ending Balance</b>	<b>\$4,151.5</b>	<b>\$4,462.7</b>	<b>\$4,888.9</b>	<b>\$5,403.5</b>	<b>\$6,035.2</b>	<b>\$4,151.5</b>	<b>\$6,035.2</b>
<b>High Net Worth Separate Accounts</b>							
Beginning balance	\$2,798.7	\$2,869.6	\$2,944.5	\$3,035.9	\$3,070.0	\$2,798.7	\$3,070.0
Inflows	103.3	106.7	98.1	117.3	208.3	103.3	208.3
Outflows	(129.3)	(166.3)	(79.4)	(112.3)	(133.9)	(129.3)	(133.9)
Net Flows	(26.0)	(59.6)	18.7	5.0	74.4	(26.0)	74.4
Market performance	105.9	124.5	79.1	26.7	139.0	105.9	139.0
Other	(9.0)	10.0	(6.4)	2.4	(6.5)	(9.0)	(6.5)
<b>Ending Balance</b>	<b>\$2,869.6</b>	<b>\$2,944.5</b>	<b>\$3,035.9</b>	<b>\$3,070.0</b>	<b>\$3,276.9</b>	<b>\$2,869.6</b>	<b>\$3,276.9</b>
<b>Total Separately Managed Accounts</b>							
Beginning balance	\$6,784.4	\$7,021.1	\$7,407.2	\$7,924.8	\$8,473.5	\$6,784.4	\$8,473.5
Inflows	399.2	444.2	516.1	466.0	689.2	399.2	689.2
Outflows	(364.3)	(314.6)	(182.0)	(296.0)	(297.9)	(364.3)	(297.9)
Net Flows	34.9	129.6	334.1	170.0	391.3	34.9	391.3
Market performance	210.8	246.5	189.9	376.3	453.8	210.8	453.8
Other	(9.0)	10.0	(6.4)	2.4	(6.5)	(9.0)	(6.5)
<b>Ending Balance</b>	<b>\$7,021.1</b>	<b>\$7,407.2</b>	<b>\$7,924.8</b>	<b>\$8,473.5</b>	<b>\$9,312.1</b>	<b>\$7,021.1</b>	<b>\$9,312.1</b>

\$ in millions

# ASSET FLOW DETAIL



## Asset Flows – Quarterly Trend and Year-to-Date by Product (continued)

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Institutional Accounts</b>							
Beginning balance	\$4,799.7	\$4,848.3	\$4,920.0	\$5,376.6	\$5,492.7	\$4,799.7	\$5,492.7
Inflows	186.2	224.9	612.5	321.7	277.7	186.2	277.7
Outflows	(276.6)	(292.0)	(207.2)	(263.5)	(191.9)	(276.6)	(191.9)
Net Flows	(90.4)	(67.1)	405.3	58.2	85.8	(90.4)	85.8
Market performance	148.4	144.1	56.4	63.7	138.3	148.4	138.3
Other	(9.4)	(5.3)	(5.1)	(5.8)	(5.5)	(9.4)	(5.5)
<b>Ending Balance</b>	<b>\$4,848.3</b>	<b>\$4,920.0</b>	<b>\$5,376.6</b>	<b>\$5,492.7</b>	<b>\$5,711.3</b>	<b>\$4,848.3</b>	<b>\$5,711.3</b>
<b>Structured Products</b>							
Beginning balance	\$356.0	\$348.6	\$669.7	\$623.8	\$613.1	\$356.0	\$613.1
Inflows	-	316.3	-	-	-	-	-
Outflows	-	(13.5)	(45.2)	(11.6)	(16.7)	-	(16.7)
Net Flows	-	302.8	(45.2)	(11.6)	(16.7)	-	(16.7)
Market performance	-	9.5	3.9	6.7	10.3	-	10.3
Other	(7.4)	8.8	(4.6)	(5.8)	(4.7)	(7.4)	(4.7)
<b>Ending Balance</b>	<b>\$348.6</b>	<b>\$669.7</b>	<b>\$623.8</b>	<b>\$613.1</b>	<b>\$602.0</b>	<b>\$348.6</b>	<b>\$602.0</b>
<b>Total Institutional Accounts</b>							
Beginning balance	\$5,155.7	\$5,196.9	\$5,589.7	\$6,000.4	\$6,105.8	\$5,155.7	\$6,105.8
Inflows	186.2	541.2	612.5	321.7	277.7	186.2	277.7
Outflows	(276.6)	(305.5)	(252.4)	(275.1)	(208.6)	(276.6)	(208.6)
Net Flows	(90.4)	235.7	360.1	46.6	69.1	(90.4)	69.1
Market performance	148.4	153.6	60.3	70.4	148.6	148.4	148.6
Other	(16.8)	3.5	(9.7)	(11.6)	(10.2)	(16.8)	(10.2)
<b>Ending Balance</b>	<b>\$5,196.9</b>	<b>\$5,589.7</b>	<b>\$6,000.4</b>	<b>\$6,105.8</b>	<b>\$6,313.3</b>	<b>\$5,196.9</b>	<b>\$6,313.3</b>

\$ in millions

# ASSET FLOW DETAIL



## Open-End Asset Flows – Quarterly Trend and Year-to-Date by Asset Class

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Domestic Equity Funds</b>							
Beginning balance	\$4,349.0	\$4,213.5	\$3,985.1	\$3,958.9	\$3,823.2	\$4,349.0	\$3,823.2
Inflows	120.6	227.3	244.1	254.0	372.2	120.6	372.2
Outflows	(576.6)	(525.5)	(391.9)	(430.3)	(378.4)	(576.6)	(378.4)
Net Flows	(456.0)	(298.2)	(147.8)	(176.3)	(6.2)	(456.0)	(6.2)
Market performance	(22.3)	91.6	125.1	52.5	220.3	(22.3)	220.3
Other	342.8	(21.8)	(3.5)	(11.9)	11.5	342.8	11.5
<b>Ending Balance</b>	<b>\$4,213.5</b>	<b>\$3,985.1</b>	<b>\$3,958.9</b>	<b>\$3,823.2</b>	<b>\$4,048.8</b>	<b>\$4,213.5</b>	<b>\$4,048.8</b>
<b>International Equity Funds</b>							
Beginning balance	\$11,967.1	\$10,403.3	\$9,035.4	\$9,424.5	\$8,117.5	\$11,967.1	\$8,117.5
Inflows	1,376.0	537.3	1,022.1	701.9	787.6	1,376.0	787.6
Outflows	(3,107.1)	(2,367.1)	(1,063.2)	(1,004.1)	(883.4)	(3,107.1)	(883.4)
Net Flows	(1,731.1)	(1,829.8)	(41.1)	(302.2)	(95.8)	(1,731.1)	(95.8)
Market performance	174.9	462.0	427.7	(989.5)	1,016.9	174.9	1,016.9
Other	(7.6)	(0.1)	2.5	(15.3)	(24.3)	(7.6)	(24.3)
<b>Ending Balance</b>	<b>\$10,403.3</b>	<b>\$9,035.4</b>	<b>\$9,424.5</b>	<b>\$8,117.5</b>	<b>\$9,014.3</b>	<b>\$10,403.3</b>	<b>\$9,014.3</b>
<b>Alternative Funds</b>							
Beginning balance	\$2,295.9	\$1,919.7	\$1,821.6	\$1,771.5	\$1,600.9	\$2,295.9	\$1,600.9
Inflows	152.6	145.8	115.9	101.0	132.3	152.6	132.3
Outflows	(206.0)	(217.9)	(134.7)	(211.3)	(208.7)	(206.0)	(208.7)
Net Flows	(53.4)	(72.1)	(18.8)	(110.3)	(76.4)	(53.4)	(76.4)
Market performance	44.2	100.5	(30.8)	(46.9)	17.6	44.2	17.6
Other	(367.0)	(126.5)	(0.5)	(13.4)	(11.0)	(367.0)	(11.0)
<b>Ending Balance</b>	<b>\$1,919.7</b>	<b>\$1,821.6</b>	<b>\$1,771.5</b>	<b>\$1,600.9</b>	<b>\$1,531.1</b>	<b>\$1,919.7</b>	<b>\$1,531.1</b>

Note: Excludes UCITs and Variable Insurance Funds  
\$ in millions

# ASSET FLOW DETAIL



## Open-End Asset Flows – Quarterly Trend and Year-to-Date by Asset Class (continued)

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Taxable Bond Funds</b>							
Beginning balance	\$8,990.8	\$8,752.3	\$8,736.5	\$8,869.9	\$8,709.3	\$8,990.8	\$8,709.3
Inflows	518.6	418.3	473.7	564.6	713.9	518.6	713.9
Outflows	(843.6)	(630.2)	(492.2)	(670.6)	(608.3)	(843.6)	(608.3)
Net Flows	(325.0)	(211.9)	(18.5)	(106.0)	105.6	(325.0)	105.6
Market performance	96.6	209.7	177.0	(30.7)	137.8	96.6	137.8
Other	(10.1)	(13.6)	(25.1)	(23.9)	(33.6)	(10.1)	(33.6)
<b>Ending Balance</b>	<b>\$8,752.3</b>	<b>\$8,736.5</b>	<b>\$8,869.9</b>	<b>\$8,709.3</b>	<b>\$8,919.1</b>	<b>\$8,752.3</b>	<b>\$8,919.1</b>
<b>Non-Taxable Bond Funds</b>							
Beginning balance	\$226.7	\$232.8	\$233.1	\$230.8	\$201.2	\$226.7	\$201.2
Inflows	14.8	9.0	9.8	8.9	10.3	14.8	10.3
Outflows	(13.0)	(13.2)	(11.2)	(24.8)	(16.2)	(13.0)	(16.2)
Net Flows	1.8	(4.2)	(1.4)	(15.9)	(5.9)	1.8	(5.9)
Market performance	3.4	4.4	(0.6)	(7.8)	2.8	3.4	2.8
Other	0.9	0.1	(0.3)	(5.9)	(1.0)	0.9	(1.0)
<b>Ending Balance</b>	<b>\$232.8</b>	<b>\$233.1</b>	<b>\$230.8</b>	<b>\$201.2</b>	<b>\$197.1</b>	<b>\$232.8</b>	<b>\$197.1</b>

Note: Excludes UCITs and Variable Insurance Funds  
\$ in millions

# U.S. GAAP TO NON-GAAP RECONCILIATION – Q1 2017



		Reclassifications			Adjustments			
	U.S. GAAP Basis	Distribution and other asset- based expenses	Consolidated investment products	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration expenses	Other	Non-GAAP Basis
<b>Revenues</b>								
Investment management fees	\$ 59,271	\$ -	\$ 242	\$ -	\$ -	\$ -	\$ -	\$ 59,513
Distribution and services fees	10,783	-	10	-	-	-	-	10,793
Administration and transfer agent fees	8,981	-	34	-	-	-	-	9,015
Other income and fees	741	-	-	-	-	-	-	741
Distribution and other asset-based expenses	-	(15,323)	-	-	-	-	-	(15,323)
Total revenues	79,776	(15,323)	286	-	-	-	-	64,739
<b>Operating Expenses</b>								
Employment expenses	39,641	-	-	-	-	-	-	39,641
Distribution and other asset-based expenses	15,323	(15,323)	-	-	-	-	-	-
Other operating expense	13,226	-	-	-	-	(1,629)	(669)	10,928
Other operating expenses of consolidated sponsored investment products	577	-	(577)	-	-	-	-	-
Other operating expenses of consolidated investment products	65	-	(65)	-	-	-	-	-
Depreciation and other amortization	664	-	-	-	-	-	-	664
Amortization expense	233	-	-	(233)	-	-	-	-
Total operating expenses	69,729	(15,323)	(642)	(233)	-	(1,629)	(669)	51,233
<b>Operating Income</b>	10,047	-	928	233	-	1,629	669	13,506
<b>Other Income (Expense)</b>								
Realized and unrealized gain (loss) on investments, net	297	-	3,513	-	(3,810)	-	-	-
Realized and unrealized gain (loss) on investments of consolidated sponsored investment products, net	3,726	-	(3,726)	-	-	-	-	-
Realized and unrealized gain (loss) on investments of consolidated investment product, net	718	-	(718)	-	-	-	-	-
Other income (expense), net	646	-	1,424	-	(1,424)	-	-	646
Total other income (expense), net	5,387	-	493	-	(5,234)	-	-	646
<b>Interest Income (Expense)</b>								
Interest expense	(243)	-	-	-	-	-	-	(243)
Interest and dividend income	188	-	660	-	(733)	-	-	115
Interest and dividend income of investments of consolidated sponsored investment products, net	1,495	-	(1,495)	-	-	-	-	-
Interest income of consolidated investment product	4,161	-	(4,161)	-	-	-	-	-
Interest expense of consolidated investment product	(2,857)	-	2,857	-	-	-	-	-
Total interest (expense) income, net	2,744	-	(2,139)	-	(733)	-	-	(128)
<b>Income Before Income Taxes</b>	18,178	-	(718)	233	(5,967)	1,629	669	14,024
Income tax expense	4,433	-	-	90	(288)	628	544	5,407
<b>Net Income</b>	13,745	-	(718)	143	(5,679)	1,001	125	8,617
Preferred stockholder dividends	(2,084)	-	-	-	-	-	2,084	-
Noncontrolling interests	(718)	-	718	-	-	-	-	-
<b>Net Income Attributable to Common Stockholders</b>	\$ 10,943	\$ -	\$ -	\$ 143	\$ (5,679)	\$ 1,001	\$ 2,209	\$ 8,617
<b>Earnings Per Share - Basic</b>	\$ 1.67							\$ 1.19
<b>Earnings Per Share - Diluted</b>	\$ 1.62							\$ 1.16
<b>Weighted Average Shares Outstanding - Basic (in thousands)</b>	6,542							7,217
<b>Weighted Average Shares Outstanding - Diluted (in thousands)</b>	6,773							7,444

\$ and share counts in thousands, except per share data

# U.S. GAAP TO NON-GAAP RECONCILIATION – Q4 2016



	U.S. GAAP Basis	Reclassifications		Amortization of intangible assets	Adjustments			Non-GAAP Basis
		Distribution and other asset- based expenses	Consolidated investment products		Seed capital and CLO investments	Acquisition and integration expenses	Other	
<b>Revenues</b>								
Investment management fees	\$ 58,996	\$ -	\$ 283	\$ -	\$ -	\$ -	\$ -	\$ 59,279
Distribution and services fees	11,489	-	11	-	-	-	-	11,500
Administration and transfer agent fees	9,176	-	35	-	-	-	-	9,211
Other income and fees	189	-	-	-	-	-	-	189
Distribution and other asset-based expenses	-	(16,136)	-	-	-	-	-	(16,136)
Total revenues	79,850	(16,136)	329	-	-	-	-	64,043
<b>Operating Expenses</b>								
Employment expenses	33,457	-	-	-	-	-	-	33,457
Distribution and other asset-based expenses	16,136	(16,136)	-	-	-	-	-	-
Other operating expense	15,660	-	-	-	-	(3,347)	(611)	11,702
Other operating expenses of consolidated sponsored investment products	488	-	(488)	-	-	-	-	-
Other operating expenses of consolidated investment products	23	-	(23)	-	-	-	-	-
Restructuring and severance	-	-	-	-	-	-	-	-
Depreciation and other amortization	700	-	-	-	-	-	-	700
Amortization expense	603	-	-	(603)	-	-	-	-
Total operating expenses	67,067	(16,136)	(511)	(603)	-	(3,347)	(611)	45,859
<b>Operating Income</b>	12,783	-	840	603	-	3,347	611	18,184
<b>Other Income (Expense)</b>								
Realized and unrealized gain (loss) on investments, net	1,398	-	(2,555)	-	1,158	-	-	1
Realized and unrealized gain (loss) on investments of consolidated sponsored investment products, net	(3,110)	-	3,110	-	-	-	-	-
Realized and unrealized gain (loss) on investments of consolidated investment product, net	(4,030)	-	4,030	-	-	-	-	-
Other income (expense), net	626	-	(1,774)	-	1,774	-	-	626
Total other income (expense), net	(5,116)	-	2,811	-	2,932	-	-	627
<b>Interest Income (Expense)</b>								
Interest expense	(290)	-	-	-	-	-	-	(290)
Interest and dividend income	630	-	1,300	-	(1,848)	-	-	82
Interest and dividend income of investments of consolidated sponsored investment products, net	1,488	-	(1,488)	-	-	-	-	-
Interest income of consolidated investment product	4,058	-	(4,058)	-	-	-	-	-
Interest expense of consolidated investment product	(1,104)	-	1,104	-	-	-	-	-
Total interest (expense) income, net	4,782	-	(3,142)	-	(1,848)	-	-	(208)
<b>Income Before Income Taxes</b>	12,449	-	509	603	1,084	3,347	611	18,603
Income tax expense	532	-	-	227	4,754	1,260	230	7,003
<b>Net Income</b>	11,917	-	509	376	(3,670)	2,087	381	11,600
Noncontrolling interests	509	-	(509)	-	-	-	-	-
<b>Net Income Attributable to Common Stockholders</b>	\$ 12,426	\$ -	\$ -	\$ 376	\$ (3,670)	\$ 2,087	\$ 381	\$ 11,600
<b>Earnings Per Share - Basic</b>	\$ 1.94							\$ 1.81
<b>Earnings Per Share - Diluted</b>	\$ 1.87							\$ 1.75
<b>Weighted Average Shares Outstanding - Basic (in thousands)</b>	6,413							6,413
<b>Weighted Average Shares Outstanding - Diluted (in thousands)</b>	6,627							6,627

\$ and share counts in thousands, except per share data



# U.S. GAAP TO NON-GAAP RECONCILIATION – Q3 2016



	U.S. GAAP Basis	Reclassifications		Amortization of intangible assets	Adjustments			Non-GAAP Basis
		Distribution and other asset- based expenses	Consolidated investment products		Restructuring and severance	Seed capital and CLO investments	Other	
<b>Revenues</b>								
Investment management fees	\$ 60,398	\$ -	\$ 153	\$ -	\$ -	\$ -	\$ -	\$ 60,551
Distribution and services fees	12,116	-	6	-	-	-	-	12,122
Administration and transfer agent fees	9,588	-	32	-	-	-	-	9,620
Other income and fees	222	-	-	-	-	-	-	222
Distribution and other asset-based expenses	-	(17,380)	-	-	-	-	-	(17,380)
Total revenues	82,324	(17,380)	191	-	-	-	-	65,135
<b>Operating Expenses</b>								
Employment expenses	33,142	-	-	-	-	-	-	33,142
Distribution and other asset-based expenses	17,380	(17,380)	-	-	-	-	-	-
Other operating expense	11,392	-	-	-	-	-	(445)	10,947
Other operating expenses of consolidated sponsored investment products	611	-	(611)	-	-	-	-	-
Other operating expenses of consolidated investment products	24	-	(24)	-	-	-	-	-
Restructuring and severance	1,879	-	-	-	(1,879)	-	-	-
Depreciation and other amortization	754	-	-	-	-	-	-	754
Amortization expense	604	-	-	(604)	-	-	-	-
Total operating expenses	65,786	(17,380)	(635)	(604)	(1,879)	-	(445)	44,843
<b>Operating Income</b>	16,538	-	826	604	1,879	-	445	20,292
<b>Other Income (Expense)</b>								
Realized and unrealized gain (loss) on investments, net	961	-	3,179	-	-	(4,089)	-	51
Realized and unrealized gain (loss) on investments of consolidated sponsored investment products, net	3,536	-	(3,536)	-	-	-	-	-
Realized and unrealized gain (loss) on investments of consolidated investment product, net	144	-	(144)	-	-	-	-	-
Other income (expense), net	250	-	(59)	-	-	59	-	250
Total other income (expense), net	4,891	-	(560)	-	-	(4,030)	-	301
<b>Interest Income (Expense)</b>								
Interest expense	(128)	-	-	-	-	-	-	(128)
Interest and dividend income	221	-	706	-	-	(811)	-	116
Interest and dividend income of investments of consolidated sponsored investment products, net	1,364	-	(1,364)	-	-	-	-	-
Interest income of consolidated investment product	4,047	-	(4,047)	-	-	-	-	-
Interest expense of consolidated investment product	(3,788)	-	3,788	-	-	-	-	-
Total interest (expense) income, net	1,716	-	(917)	-	-	(811)	-	(12)
<b>Income Before Income Taxes</b>	23,145	-	(651)	604	1,879	(4,841)	445	20,581
Income tax expense	6,869	-	-	226	702	(270)	166	7,693
<b>Net Income</b>	16,276	-	(651)	378	1,177	(4,571)	279	12,888
Noncontrolling interests	(651)	-	651	-	-	-	-	-
<b>Net Income Attributable to Common Stockholders</b>	\$ 15,625	\$ -	\$ -	\$ 378	\$ 1,177	\$ (4,571)	\$ 279	\$ 12,888
<b>Earnings Per Share - Basic</b>	\$ 2.04							\$ 1.68
<b>Earnings Per Share - Diluted</b>	\$ 1.99							\$ 1.64
<b>Weighted Average Shares Outstanding - Basic (in thousands)</b>	7,676							7,676
<b>Weighted Average Shares Outstanding - Diluted (in thousands)</b>	7,854							7,854

\$ and share counts in thousands, except per share data

# U.S. GAAP TO NON-GAAP RECONCILIATION – Q2 2016



	U.S. GAAP Basis	Reclassifications		Adjustments				Non-GAAP Basis
		Distribution and other asset- based expenses	Consolidated investment products	Amortization of intangible assets	Restructuring and severance	Seed capital and CLO investments	Other	
<b>Revenues</b>								
Investment management fees	\$ 58,192	\$ -	\$ (88)	\$ -	\$ -	\$ -	\$ -	\$ 58,104
Distribution and services fees	12,167	-	12	-	-	-	-	12,179
Administration and transfer agent fees	9,499	-	49	-	-	-	-	9,548
Other income and fees	227	-	-	-	-	-	-	227
Distribution and other asset-based expenses	-	(17,432)	-	-	-	-	-	(17,432)
Total revenues	80,085	(17,432)	(27)	-	-	-	-	62,626
<b>Operating Expenses</b>								
Employment expenses	33,065	-	-	-	-	-	-	33,065
Distribution and other asset-based expenses	17,432	(17,432)	-	-	-	-	-	-
Other operating expense	12,457	-	-	-	-	-	(358)	12,099
Other operating expenses of consolidated sponsored investment products	777	-	(777)	-	-	-	-	-
Other operating expenses of consolidated investment products	3,841	-	(3,841)	-	-	-	-	-
Restructuring and severance	2,391	-	-	-	(2,391)	-	-	-
Depreciation and other amortization	776	-	-	-	-	-	-	776
Amortization expense	603	-	-	(603)	-	-	-	-
Total operating expenses	71,342	(17,432)	(4,618)	(603)	(2,391)	-	(358)	45,940
<b>Operating Income</b>	8,743	-	4,591	603	2,391	-	358	16,686
<b>Other Income (Expense)</b>								
Realized and unrealized gain (loss) on investments, net	3,281	-	2,923	-	-	(6,110)	-	94
Realized and unrealized gain (loss) on investments of consolidated sponsored investment products, net	3,097	-	(3,097)	-	-	-	-	-
Realized and unrealized gain (loss) on investments of consolidated investment product, net	581	-	(581)	-	-	-	-	-
Other (expense) income, net	(15)	-	(8,799)	-	-	8,799	-	(15)
Total other income (expense), net	6,944	-	(9,554)	-	-	2,689	-	79
<b>Interest Income (Expense)</b>								
Interest expense	(129)	-	-	-	-	-	-	(129)
Interest and dividend income	619	-	2,961	-	-	(3,470)	-	110
Interest and dividend income of investments of consolidated sponsored investment products, net	1,696	-	(1,696)	-	-	-	-	-
Interest income of consolidated investment product	2,582	-	(2,582)	-	-	-	-	-
Interest expense of consolidated investment product	(5,668)	-	5,668	-	-	-	-	-
Total interest (expense) income, net	(900)	-	4,351	-	-	(3,470)	-	(19)
<b>Income Before Income Taxes</b>	14,787	-	(612)	603	2,391	(781)	358	16,746
Income tax expense	6,087	-	-	232	921	(930)	138	6,448
<b>Net Income</b>	8,700	-	(612)	371	1,470	149	220	10,298
Noncontrolling interests	(612)	-	612	-	-	-	-	-
<b>Net Income Attributable to Common Stockholders</b>	\$ 8,088	\$ -	\$ -	\$ 371	\$ 1,470	\$ 149	\$ 220	\$ 10,298
<b>Earnings Per Share - Basic</b>	\$ 0.99							\$ 1.26
<b>Earnings Per Share - Diluted</b>	\$ 0.97							\$ 1.24
<b>Weighted Average Shares Outstanding - Basic (in thousands)</b>	8,170							8,170
<b>Weighted Average Shares Outstanding - Diluted (in thousands)</b>	8,314							8,314

\$ and share counts in thousands, except per share data

# U.S. GAAP TO NON-GAAP RECONCILIATION – Q1 2016



	U.S. GAAP Basis	Reclassifications		Adjustments			Non-GAAP Basis
		Distribution and other asset- based expenses	Consolidated investment products	Amortization of intangible assets	Seed capital and CLO investments	Other	
<b>Revenues</b>							
Investment management fees	\$ 57,644	\$ -	\$ 91	\$ -	\$ -	\$ -	\$ 57,735
Distribution and services fees	12,478	-	24	-	-	-	12,502
Administration and transfer agent fees	9,998	-	94	-	-	-	10,092
Other income and fees	175	-	-	-	-	-	175
Distribution and other asset-based expenses	-	(18,101)	-	-	-	-	(18,101)
Total revenues	80,295	(18,101)	209	-	-	-	62,403
<b>Operating Expenses</b>							
Employment expenses	35,977	-	-	-	-	-	35,977
Distribution and other asset-based expenses	18,101	(18,101)	-	-	-	-	-
Other operating expense	10,765	-	-	-	-	(414)	10,351
Other operating expenses of consolidated sponsored investment products	1,133	-	(1,133)	-	-	-	-
Other operating expenses of consolidated investment products	56	-	(56)	-	-	-	-
Depreciation and other amortization	862	-	-	-	-	-	862
Amortization expense	651	-	-	(651)	-	-	-
Total operating expenses	67,545	(18,101)	(1,189)	(651)	-	(414)	47,190
<b>Operating Income</b>	12,750	-	1,398	651	-	414	15,213
<b>Other Income (Expense)</b>							
Realized and unrealized (loss) gain on investments, net	(658)	-	1,808	-	(1,155)	-	(5)
Realized and unrealized gain (loss) on investments of consolidated sponsored investment products, net	295	-	(295)	-	-	-	-
Realized and unrealized gain (loss) on investments of consolidated investment product, net	2,235	-	(2,235)	-	-	-	-
Other income, net	228	-	2,504	-	(2,504)	-	228
Total other (expense) income, net	2,100	-	1,782	-	(3,659)	-	223
<b>Interest Income (Expense)</b>							
Interest expense	(132)	-	-	-	-	-	(132)
Interest and dividend income	273	-	1,748	-	(1,883)	-	138
Interest and dividend income of investments of consolidated sponsored investment products, net	2,961	-	(2,961)	-	-	-	-
Interest income of consolidated investment product	2,206	-	(2,206)	-	-	-	-
Interest expense of consolidated investment product	(732)	-	732	-	-	-	-
Total interest income, net	4,576	-	(2,687)	-	(1,883)	-	6
<b>Income Before Income Taxes</b>	19,426	-	493	651	(5,542)	414	15,442
Income tax expense	7,556	-	-	250	(2,045)	159	5,920
<b>Net Income</b>	11,870	-	493	401	(3,497)	255	9,522
Noncontrolling interests	493	-	(493)	-	-	-	-
<b>Net Income Attributable to Common Stockholders</b>	\$ 12,363	\$ -	\$ -	\$ 401	\$ (3,497)	\$ 255	\$ 9,522
<b>Earnings Per Share - Basic</b>	\$ 1.48						\$ 1.14
<b>Earnings Per Share - Diluted</b>	\$ 1.45						\$ 1.12
<b>Weighted Average Shares Outstanding - Basic (in thousands)</b>	8,344						8,344
<b>Weighted Average Shares Outstanding - Diluted (in thousands)</b>	8,506						8,506

\$ and share counts in thousands, except per share data

Non-GAAP financial measures differ from financial measures 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 measures have material limitations and should not be viewed in isolation or as a substitute for U.S. GAAP measures.

## Notes to Reconciliations:

1. Distribution and other asset-based expenses - Primarily payments to third-party distribution partners for providing services to investors in our sponsored funds and payments to third-party service providers for investment management-related services. Management believes that making this adjustment aids in comparing the company's operating results with other asset management firms that do not utilize intermediary distribution partners or third-party service providers.
2. Consolidated investment products - Revenues and expenses generated by operating activities of majority owned seed capital related mutual funds and CLOs. Management believes that excluding these operating activities to reflect 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 client assets.
3. Amortization of intangible assets - Non-cash amortization expense or impairment expense, if any, attributable to acquisition-related intangible assets. 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.
4. 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.
5. Seed capital and CLO investments earnings/(losses) - Gains and losses (realized and unrealized), dividends and interest income generated by seed capital and CLO investments. Earnings or losses 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.
6. Acquisition and integration expenses - Expenses that are directly related to acquisition and integration activities. Acquisition expenses include transaction closing costs, professional fees and financing fees. Integration expenses include costs incurred that are directly attributable to combining the 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. In addition, it includes income tax expense/(benefit) items, such as adjustments for uncertain tax positions, 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.

# FOOTNOTES

Components of Other for the respective periods are shown in the table below:

	<u>Q1:16</u>	<u>Q2:16</u>	<u>Q3:16</u>	<u>Q4:16</u>	<u>Q1:17</u>	<u>YTD:16</u>	<u>YTD:17</u>
<b>Other (\$ in thousands)</b>							
System transition expenses	\$414	\$358	\$445	\$611	\$669	\$414	\$669
Tax impact of transition expenses	(159)	(138)	(166)	(230)	(258)	(159)	(258)
Discrete tax adjustments	-	-	-	-	(286)	-	(286)
Preferred stockholder dividends	-	-	-	-	2,084	-	2,084
<b>Total Other</b>	<b>\$255</b>	<b>\$220</b>	<b>\$279</b>	<b>\$381</b>	<b>\$2,209</b>	<b>\$255</b>	<b>\$2,209</b>

# RIDGEWORTH UPDATE



## Assets Under Management and Fee Rate by Product

	<u>Mutual Funds</u>	<u>SMA</u> s	<u>Institutional</u>	<u>Structured Products</u>	<u>Total</u>
<b>Assets under management at March 31, 2017</b>					
Total	\$17,462	\$3,102	\$19,257	\$2,487	\$42,308
Less: Liquidity	(1,486)	(118)	(4,970)	-	(6,574)
Long-Term	\$15,976	\$2,984	\$14,287	\$2,487	\$35,734
<b>Average net assets - Q1 2017</b>					
Total	\$17,304	\$3,104	\$19,298	\$2,487	\$42,193
Less: Liquidity	(1,498)	(118)	(4,971)	-	(6,587)
Long-Term	\$15,806	\$2,986	\$14,327	\$2,487	\$35,606
<b>Fee Rates</b>					
Total AUM:					
Fee Rate	47.9	29.2	21.8	76.9	36.3
Fee rate excluding performance fees	47.9	29.2	21.8	42.2	34.3
Long-Term AUM:					
Fee Rate	50.6	30.1	27.8	76.9	41.5
Fee rate excluding performance fees	50.6	30.1	27.8	42.2	39.1

\$ in millions

Note: Assets under management and fee rates are preliminary and subject to change when reporting policies are aligned

# RIDGEWORTH MUTUAL FUNDS



## Additional Information on RidgeWorth Funds rated by Morningstar as of 3/31/17:

Description	Overall	3 yr.	5 yr.	10 yr.
Number of 3/4/5 Star Funds	24	19	20	21
Percentage of Assets	100%	89%	90%	99%
Number of 4/ 5 Star Funds	14	7	5	17
Percentage of Assets	86%	65%	55%	94%
Total Funds	26	26	26	25

**Data quoted represents past performance. Past performance does not guarantee future results.** Current performance may be lower or higher than the performance data quoted. Investing involves risk, including the possible loss of principal. The value of your investment will fluctuate over time and you may gain or lose money.

## Morningstar Ratings as of 3/31/17:

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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Strong ratings are not indicative of positive fund performance. Absolute performance for some funds was negative. For complete investment performance, please visit [www.ridgeworth.com](http://www.ridgeworth.com).

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