

Reconciliation of Q4 2022 Guidance Range

(in \$ millions)

	Guidance Range	
	Low	High
Net income (controlling interest)	\$ 198	\$ 236
Interest Expense	29	29
Income Taxes	66	79
Intangible amortization and impairments	35	35
Other items ⁽¹⁾	2	2
Adjusted EBITDA (controlling interest)	\$ 330	\$ 380

(in \$ millions, except per share amounts)

	Guidance Range	
	Low	High
Net income (controlling interest)	\$ 198	\$ 236
Intangible amortization and impairments	35	35
Intangible-related deferred taxes	16	16
Other economic items	-	-
Economic net income (controlling interest)	\$ 249	\$ 287
Average shares outstanding (adjusted diluted)	39.0	39.0
Economic earnings per share	\$ 6.38	\$ 7.35

Notes

Adjusted EBITDA (controlling interest), Economic net income (controlling interest), and Economic earnings per share are important supplemental financial measures for management, as they enable management to assess our performance before our share of certain non-cash expenses. Adjusted EBITDA (controlling interest) represents our performance before our share of interest expense, income taxes, depreciation, amortization, impairments, certain Affiliate equity expenses, certain gains and losses, including on general partner and seed capital investments, certain non-income based taxes, and adjustments to our contingent payment obligations. Under our Economic net income (controlling interest) definition, we add to Net income (controlling interest) our share of pre-tax intangible amortization and impairments (including the portion attributable to equity method investments in Affiliates), deferred taxes related to intangible assets, and other economic items which include certain gains and losses, principally related to the accounting for contingent payment obligations as well as general partner and seed capital investments, tax windfalls and shortfalls from share-based compensation, certain Affiliate equity expenses, and non-cash imputed interest. Economic earnings per share represents Economic net income (controlling interest) divided by the Average shares outstanding (adjusted diluted). Average shares outstanding (adjusted diluted) presented in this reconciliation differs from Average shares outstanding (diluted) by 1.7 million shares, primarily by the assumed conversion of TRUPs shares.

We believe that many investors use these measures when assessing the financial performance of companies in the investment management industry. Management also utilizes these non-GAAP performance measures to improve comparability between periods. These non-GAAP performance measures are provided in addition to, but not as a substitute for, Net income (controlling interest) or other GAAP performance measures. For additional information on our non-GAAP performance measures, see our most recent Periodic Reports on Form 10-K and Form 10-Q, which are accessible on the SEC's website at www.sec.gov.

Forward-looking statements speak only as of the date they are made. The Q4 2022 guidance range and this reconciliation constitute forward-looking statements made as of November 7, 2022, and we undertake no obligation to publicly update or review these or any other forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law. In that respect, we caution readers not to place undue reliance on any forward-looking statements.

As of November 7, 2022.

(1) Includes only controlling-interest depreciation for guidance purposes.