

Reconciliation of Q2 2023 Guidance Range

(in millions, except per share data)

Notes

	Guidance Range	
	Low	High
Net income (controlling interest)	\$ 108	\$ 116
Interest Expense	31	31
Income Taxes	38	41
Intangible amortization and impairments	29	29
Other items ⁽¹⁾	4	4
Adjusted EBITDA (controlling interest)	\$ 210	\$ 220

	Guidance Range	
	Low	High
Net income (controlling interest)	\$ 108	\$ 116
Intangible amortization and impairments	29	29
Intangible-related deferred taxes	15	15
Other economic items ⁽²⁾	2	2
Economic net income (controlling interest)	\$ 154	\$ 161
Average shares outstanding (adjusted diluted)	37.9	37.9
Economic earnings per share	\$ 4.06	\$ 4.26

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 and to improve comparability between periods. Adjusted EBITDA (controlling interest) represents our performance before our share of interest expense, income and certain non-income based taxes, depreciation, amortization, impairments, gains and losses related to the BPEA Transaction, and non-cash items such as certain Affiliate equity activity, gains and losses on our contingent payment obligations, and unrealized gains and losses on seed capital, general partner commitments, and other strategic investments. Adjusted EBITDA (controlling interest) is also adjusted to include realized economic gains and losses related to these seed capital, general partner commitments, and other strategic investments. Under our Economic net income (controlling interest) definition, we adjust Net income (controlling interest) for 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, gains and losses related to the BPEA Transaction, net of tax, and other economic items which include gains and losses related to contingent payment obligations, tax windfalls and shortfalls from share-based compensation, certain Affiliate equity activity, unrealized gains and losses on seed capital, general partner commitments, and other strategic investments, and realized economic gains and losses related to these seed capital, general partner commitments, and other strategic investments. 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) primarily by the potential issuance of shares upon settlement of Redeemable non-controlling interests and the assumed conversion of TRUPS shares (an aggregate of 2.0 million shares for the three months ended March 31, 2023).

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 Q2 2023 guidance range and this reconciliation constitute forward-looking statements made as of May 1, 2023, 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 May 1, 2023.

(1) Includes \$2mm of controlling-interest depreciation and \$1.5mm of realized economic gains for guidance purposes.

(2) Includes \$1.5mm of realized economic gains for guidance purposes.