BRIGHTSPHERE
Investment Group

Q3 2024 EARNINGS PRESENTATION

October 31, 2024

Q3'24 Highlights

BrightSphere Highlights

- U.S. GAAP EPS of $0.45 for Q3'24 compared to $0.46 for Q3'23
- ENI EPS of $0.59 for the quarter compared to $0.45 for Q3'23
- Systematic Credit's U.S. and Global High Yield and U.S. Investment Grade strategies continued to build good track records
- New Global Equity Extension strategy was also seeded in September 2024
- Continued strong investment performance with 85%, 93% and 94% of strategies by revenue beating their benchmarks over the prior 3-, 5-, and 10-year periods, respectively, as of September 30, 2024
- Highest ever total AUM of $120.3 billion as of September 30, 2024, a 6.8% increase from June 30, 2024, driven by market appreciation and positive flows
- $0.5 billion of net flows for Q3'24 compared to $(0.5) billion for Q3'23
- Cash balance of $53.6 million as of September 30, 2024
    - Acadian had fully paid down its revolving credit facility as of September 30, 2024
    - Expect to continue generating strong free cash and deploying excess capital toward supporting organic growth and share repurchases

Please see Definitions and Additional Notes

U.S. GAAP Statement of Operations

($ in millions, unless otherwise noted)	Three Months Ended			
	September 30, 2024	September 30, 2023	Increase (Decrease)	June 30, 2024
Management fees	$ 112.1	$ 95.3	17.6 %	$ 105.5
Performance fees	10.1	11.2	(9.8)%	2.8
Consolidated Funds' revenue	0.9	0.8	12.5 %	0.7
Total revenue	**123.1**	**107.3**	**14.7 %**	**109.0**
Compensation and benefits	69.6	53.0	31.3 %	62.2
General and administrative	21.8	18.8	16.0 %	21.1
Depreciation and amortization	4.5	4.5	— %	5.0
Consolidated Funds' expense	0.2	0.8	(75.0)%	0.1
Total operating expenses	**96.1**	**77.1**	**24.6 %**	**88.4**
Operating income	**27.0**	**30.2**	**(10.6)%**	**20.6**
Investment income (loss)	1.5	(0.3)	n/m	0.1
Interest income	0.6	1.7	(64.7)%	0.9
Interest expense	(4.7)	(4.8)	(2.1)%	(5.3)
Net consolidated Funds' investment gains	4.0	0.7	n/m	0.8
Income before income taxes	**28.4**	**27.5**	**3.3 %**	**17.1**
Income tax expense	9.4	7.7	22.1 %	5.6
Net income	**19.0**	**19.8**	**(4.0)%**	**11.5**
Net income attributable to non-controlling interests	2.1	0.2	n/m	0.5
Net income attributable to controlling interests	**$ 16.9**	**$ 19.6**	**(13.8)%**	**$ 11.0**
Earnings per share, basic, $	$ 0.46	$ 0.47	(2.1)%	$ 0.29
Earnings per share, diluted, $	$ 0.45	$ 0.46	(2.2)%	$ 0.29
Average basic shares outstanding (in millions)	37.1	41.5		37.5
Average diluted shares outstanding (in millions)	37.8	42.6		38.2
U.S. GAAP operating margin	22 %	28 %	(621) bps	19 %
Pre-tax income attributable to controlling interests	$ 26.3	$ 27.3	(3.7)%	$ 16.6
Net income attributable to controlling interests	$ 16.9	$ 19.6	(13.8)%	$ 11.0

Please see Definitions and Additional Notes

Q3'24 vs. Q3'23

- Total revenue increased 14.7% from Q3'23 driven by higher management fees reflecting an increase in average AUM in Q3'24 compared to Q3'23
- Operating expenses increased 24.6% from Q3'23 driven by an increase in compensation and benefits expense due to an increase in the value of the Acadian equity plan liability in Q3'24 and an increase in sales based compensation
- Income tax expense increased 22.1% from Q3'23 primarily driven by changes in permanent tax items
- U.S. GAAP net income attributable to controlling interests decreased 13.8% from Q3'23 primarily due to an increase in operating expenses
- Diluted earnings per share decreased (2.2)% from Q3'23 due to lower net income attributable to controlling interests in Q3'24, partially offset by lower average diluted shares reflecting the positive impact of stock repurchases made year to date as of September 30, 2024

Acadian Financial Highlights

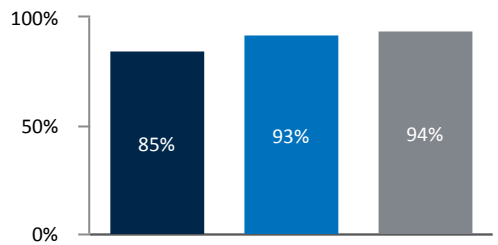
- Net flows of $0.5 billion with $6.9 million annualized revenue impact for Q3'24 compared to net flows of $(0.5) billion with annualized revenue impact of $(0.3) million for Q3'23
- AUM increased 23.5% from Q3'23 mainly driven by market appreciation in the last twelve months; AUM increased 6.8% compared to Q2'24 largely driven by the positive market
- Continued strong long-term investment outperformance
- Segment ENI increased 21.1% in Q3'24 compared to Q3'23 due to higher management fees and improved operating leverage; Segment ENI increased 26.8% in Q3'24

Key Performance Metrics

	Three Months Ended September 30,			Three Months Ended June 30,	
	2024	2023	Increase (Decrease)	2024	Increase (Decrease)
Operational Information					
AUM $b	$ 120.3	$ 97.4	23.5 %	$ 112.6	6.8 %
Average AUM $b	$ 116.4	$ 100.5	15.8 %	$ 110.3	5.5 %
Net flows $b	$ 0.5	$ (0.5)	$ 1.0	$ —	$ 0.5
Annualized Revenue Impact of net flows $m	$ 6.9	$ (0.3)	$ 7.2	$ 1.4	$ 5.5
ENI management fee rate (bps)	38	38	—	38	—
Economic Net Income Basis					
ENI Revenue $m	$ 122.2	$ 106.5	14.7 %	$ 108.3	12.8 %
Segment Economic Net Income $m	$ 40.2	$ 33.2	21.1 %	$ 31.7	26.8 %
Segment ENI Operating Margin	35.4 %	32.6 %	280 bps	31.2 %	420 bps
Segment Adjusted EBITDA $m	$ 44.7	$ 37.7	18.6 %	$ 36.3	23.1 %

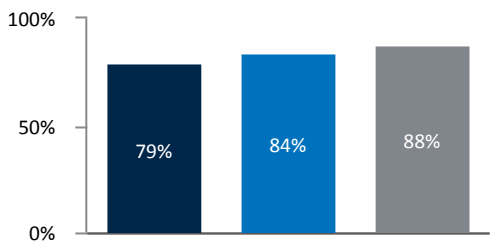
Investment Performance

Revenue-Weighted(1)



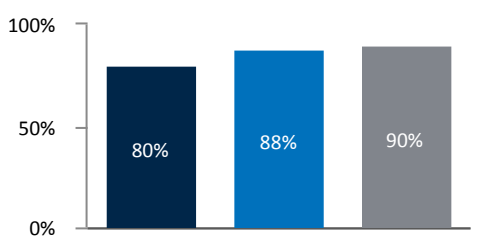
	3-Year	5-Year	10-Year
Q2'24	86%	92%	93%
Q3'23	83%	88%	91%

Equal-Weighted



	3-Year	5-Year	10-Year
Q2'24	77%	83%	88%
Q3'23	74%	69%	83%

Asset-Weighted



	3-Year	5-Year	10-Year
Q2'24	79%	87%	90%
Q3'23	75%	81%	86%

Please see Definitions and Additional Notes

(1) As of September 30, 2024, Acadian's assets representing 93% of revenue were outperforming benchmarks on a 1-year basis, compared to 67% as of September 30, 2023 and 93% as of June 30, 2024.

Acadian Platform Overview

Business Overview

- Leading, at-scale, systematic investment manager with a track record of over 35 years and $120.3 billion in AUM as of September 30, 2024
- Quant-focused investment platform offering unique capabilities in active equities, credit and alternatives; including recently launched multi-strategy hedge fund and systematic credit strategies
- Continued strong investment performance with more than 85%, 93%, and 94% of strategies by revenue outperforming benchmarks over 3-, 5-, and 10-year periods, respectively, as of September 30, 2024
- Diversified offerings across developed and emerging markets; approximately 80% of AUM invested outside the U.S.
- Long-standing relationships with 950+ global clients
- Experienced management team with a proven track record

Systematic Investing Capabilities Built On



Economic intuition & insights of a talented, experienced, diverse group of investors:
100+ person investment team | 1600+ years' collective experience
100+ advanced analytical degrees

PEOPLE

DATA

Extensive data repository supplemented by alternative data scouting effort:
450M+ daily observations | 55TB+ data
150+ global markets | 40K+ traded assets



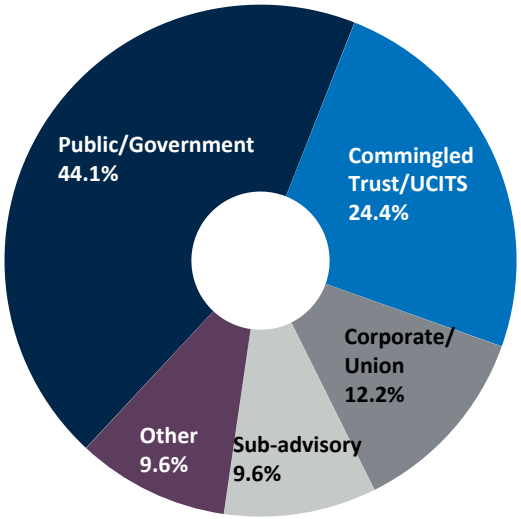


Transforming information into insights:
Robust technological infrastructure
Sophisticated analytical tools & portfolio attribution illuminate trends, relationships, and drivers of alpha

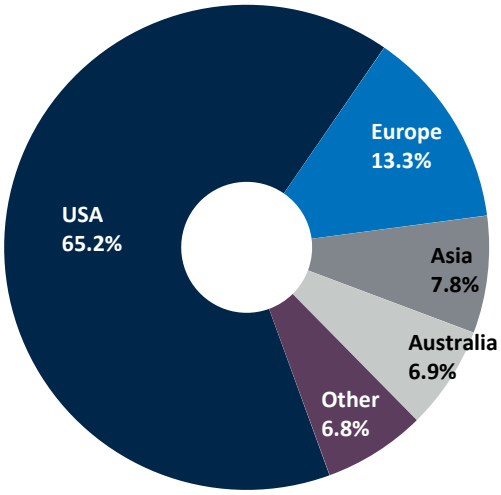
CLARITY

Diversified Asset Base

AUM by Client Type



AUM by Client Location



AUM by Strategy



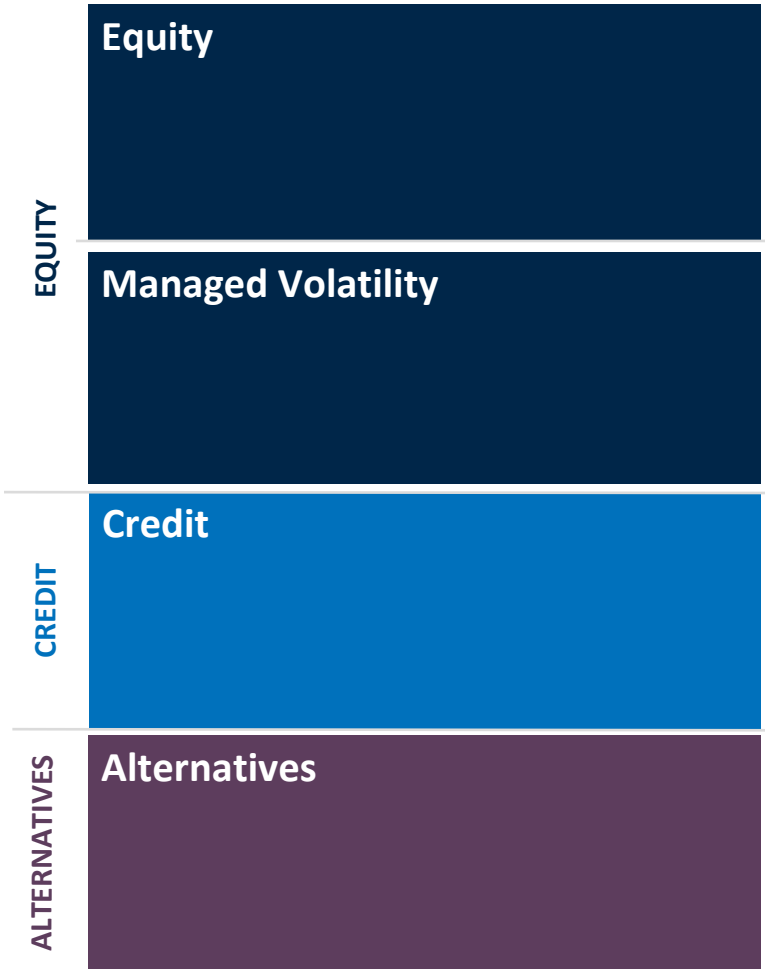
Total: $120.3 billion[(1)]

Please see Definitions and Additional Notes

(1) Data as of September 30, 2024

Systematic Investment Capabilities

Diversified Quant Offerings



Equity strategies apply insights from over 35 years of systematic investing experience combined with the power of data

Global, Emerging Markets, Non-US, Regional

Managed volatility portfolios seek to deliver active returns and lower volatility based on both the mispricing of risk and stock fundamentals

Global Managed Volatility, EM Managed Volatility

Fixed income capabilities systematically invest in corporate bonds seeking to deliver differentiated excess returns (platform in development)

Investment Grade, High Yield

Alternatives capabilities systematically apply new signals, alternative data and portfolio construction techniques

Multi-strategy, Equity Long-Short, Market Neutral

Sector Tailwinds Expected to Support Organic Long-term Growth

Secular Trends

- Explosive Growth in Alternative Data
- Continued Development of Advanced Techniques: Machine Learning, AI
- Scale of Investment in Data, Technology, and Talent Increasingly Important
- Growing Demand for Uncorrelated Strategies and Customization

ACADIAN

Anticipated Impact for Acadian

Alpha → Acadian Brand and Barriers to Entry → Organic Growth → Applying Data and Expertise to New Capabilities

Disciplined Execution of Long-Term Growth Strategy

Continue Harnessing our Unique Quant Capabilities	• **Leveraging broad quant capabilities to provide exposures and solutions sought by clients** ◦ Ongoing initiatives including Equity Alternatives and Systematic Credit strategies • **Highly scalable offerings with substantial capacity and global demand**
Additional Growth Levers	• **Product innovation** ◦ Extensions of quant investment strategies into high-demand areas supported by ongoing seeding program • **Distribution enhancements** ◦ Expansion of distribution teams including entry into new markets and channels
Drive Shareholder Value	• **Strong free cash flow generated from revenues from a broad array of investment strategies** • **Continue deploying free cash flow toward supporting organic growth and for share repurchases**

Please see Definitions and Additional Notes

Key Performance Metrics

Key Performance Metrics[1]						
($ in millions, unless otherwise noted)	Three Months Ended September 30,			Three Months Ended June 30,		
U.S. GAAP Basis	**2024**	**2023**	**Increase (Decrease)**	**2024**	**Increase (Decrease)**	
Revenue	$ 123.1	$ 107.3	14.7 %	$ 109.0	12.9 %	
Pre-tax income attributable to controlling interests	26.3	27.3	(3.7)%	16.6	58.4 %	
Net income attributable to controlling interests	16.9	19.6	(13.8)%	11.0	53.6 %	
Diluted shares outstanding (in millions)	37.8	42.6		38.2		
Diluted earnings per share, $	$ 0.45	$ 0.46	(2.2)%	$ 0.29	55.2 %	
U.S. GAAP operating margin	22 %	28 %	(621) bps	19 %	303 bps	
Economic Net Income Basis (Non-GAAP measure used by management)						
ENI revenue	$ 122.2	$ 106.5	14.7 %	$ 108.3	12.8 %	
Pre-tax economic net income	32.6	26.4	23.5 %	23.8	37.0 %	
Economic net income	22.2	19.3	15.0 %	17.2	29.1 %	
ENI diluted earnings per share, $	$ 0.59	$ 0.45	31.1 %	$ 0.45	31.1 %	
Adjusted EBITDA	40.4	34.0	18.8 %	32.0	26.3 %	
ENI operating margin	32 %	29 %	294 bps	27 %	452 bps	
Other Operational Information						
Assets under management at period end ($ in billions)	$ 120.3	$ 97.4	23.5 %	$ 112.6	6.8 %	
Net flows ($ in billions)	0.5	(0.5)	n/m	—	n/m	
Annualized revenue impact of net flows ($ in millions)	6.9	(0.3)	n/m	1.4	n/m	

Please see Definitions and Additional Notes

(1) Please see Reconciliations and Disclosures for the reconciliation of Net income attributable to controlling interests to Adjusted EBITDA and ENI.

ENI Revenue

Commentary

- ENI revenue includes management fees and performance fees
- Q3'24 ENI revenue of $122.2 million increased from Q3'23 by 15%; primarily due to higher management fees driven by higher average AUM
- Management fees increased 18% from Q3'23 reflecting a 16% increase in average AUM driven by market appreciation

ENI Revenue

($M)	Three Months Ended September 30,			Three Months Ended June 30,	
	2024	2023	Increase (Decrease)	2024	Increase (Decrease)
Management fees	$ 112.1	$ 95.3	*18%*	$ 105.5	*6%*
Performance fees	10.1	11.2	*(10)%*	2.8	*n/m*
ENI revenue	**$ 122.2**	**$ 106.5**	*15%*	**$ 108.3**	*13%*

Please see Definitions and Additional Notes

ENI Operating Expenses

Commentary

- Total ENI operating expenses reflect Acadian and Center operating expenses (excluding variable compensation)
- ENI operating expenses increased to $53.9 million in Q3'24 compared to $47.4 million in Q3'23
- Q3'24 Operating Expense Ratio[(1)] fell to 48.1% for the period from 49.7% in Q3'23 reflecting the impact of improved operating leverage
- Full-year Operating Expense Ratio expected to be approximately 45%-49% if the equity market remains at the same level; ratio is subject to fluctuations as AUM and ENI management fees change

ENI Operating Expenses

($M)	Three Months Ended September 30,					Three Months Ended June 30,			
	2024		2023		Increase (Decrease)	2024		Increase (Decrease)
	$M	% of MFs[(2)]	$M	% of MFs[(2)]		$M	% of MFs[(2)]	
Fixed compensation and benefits	$ 24.5	*21.9 %*	$ 23.1	*24.2 %*	*6%*	$ 24.3	*23.0 %*	*1%*
G&A expenses (excl. sales-based compensation)	21.6	*19.3 %*	18.6	*19.5 %*	*16%*	20.6	*19.5 %*	*5%*
Depreciation and amortization	4.5	*4.0 %*	4.5	*4.7 %*	*—%*	4.6	*4.4 %*	*(2)%*
Core operating expense subtotal	**$ 50.6**	***45.1 %***	**$ 46.2**	***48.5 %***	*10%*	**$ 49.5**	***46.9 %***	*2%*
Sales-based compensation	3.3	*2.9 %*	1.2	*1.3 %*	*n/m*	2.0	*1.9 %*	*65%*
Total ENI operating expenses	**$ 53.9**	***48.1 %***	**$ 47.4**	***49.7 %***	*14%*	**$ 51.5**	***48.8 %***	*5%*
Note: ENI management fees	$ 112.1		$ 95.3		*18%*	$ 105.5		*6%*

Please see Definitions and Additional Notes

(1) Operating Expense Ratio reflects total ENI operating expenses as a percent of management fees.

(2) Represents reported ENI management fee revenue.

ENI Variable Compensation

Commentary

- Variable compensation comprises a contractual percentage of Acadian's ENI earnings before variable compensation and a contractual split of performance fees, which is recognized over the contractual vesting period, awarded to Acadian's employees and additionally includes Center bonuses
  - Acadian variable compensation includes cash and Acadian equity provided through recycling
  - Center variable compensation includes cash and BSIG equity
- Q3'24 Variable Compensation Ratio decreased to 43.3% from 48.2% in Q3'23; ratio decrease driven by higher growth in earnings before variable compensation
- Full-year Variable Compensation Ratio expected to be 44%-48%

ENI Variable Compensation

($M)	Three Months Ended September 30,			Three Months Ended June 30,	
	2024	2023	Increase (Decrease)	2024	Increase (Decrease)
Cash variable compensation	**$ 28.0**	**$ 26.9**	*4%*	**$ 25.5**	*10%*
Add: Non-cash equity-based award amortization	1.6	1.6	*—%*	1.9	*(16)%*
Variable compensation	**29.6**	**28.5**	*4%*	**27.4**	*8%*
Earnings before variable compensation	**$ 68.3**	**$ 59.1**	*16%*	**$ 56.8**	*20%*
Variable Compensation Ratio (VC as % of earnings before variable comp.)	43.3 %	48.2 %	*(489) bps*	48.2 %	*(490) bps*

Please see Definitions and Additional Notes

Affiliate Key Employee Distributions

Commentary

- Represents key employees' share of profit from our Affiliate's earnings
- Full-year Distribution Ratio expected to be 7%-8% if the equity market remains at the same level; mix of core and performance fee profits will impact the ratio

Affiliate Key Employee Distributions

($M)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Increase (Decrease)	Three Months Ended June 30, 2024	Increase (Decrease)
A Earnings after variable compensation (ENI operating earnings)	$ 38.7	$ 30.6	*26%*	$ 29.4	*32%*
B Less: Affiliate key employee distributions	**(3.1)**	**(1.5)**	*n/m*	**(2.1)**	*48%*
Earnings after Affiliate key employee distributions	$ 35.6	$ 29.1	*22%*	$ 27.3	*30%*
Affiliate Key Employee Distribution Ratio (B / A)	8.0 %	4.9 %	*311 bps*	7.1 %	*87 bps*

Please see Definitions and Additional Notes

Balance Sheet Management

Balance Sheet

($M)	September 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	$ 53.6	$ 146.8
Investment advisory fees receivable	119.2	143.4
Right of use assets	52.7	57.2
Investments	68.5	64.7
Other assets	168.6	164.1
Assets of consolidated Funds	92.6	35.2
Total assets	**$ 555.2**	**$ 611.4**
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	$ 119.5	$ 140.4
Third party borrowings	274.2	273.9
Operating lease liabilities	67.6	72.4
Other liabilities	90.2	70.9
Liabilities of consolidated Funds	7.5	4.3
Total liabilities	**$ 559.0**	**$ 561.9**
Shareholders' equity (deficit)	(17.9)	40.2
Redeemable NCI of consolidated Funds	14.1	9.3
Total equity	**(3.8)**	**49.5**
Total liabilities and equity	**$ 555.2**	**$ 611.4**
Weighted average quarterly diluted shares	37.8	42.2
Leverage ratio[(1)]	1.8 x	2.0 x
Net leverage ratio[(2)]	1.4 x	0.9 x

Capital

- September 30, 2024 net leverage ratio (third party borrowings and revolving credit facility, net of total cash and cash equivalents / Adj. EBITDA) of 1.4x
  - Acadian had fully paid down its revolving credit facility as of September 30, 2024 compared to $36 million being outstanding as of June 30; facility supports first quarter seasonal needs
- September 30, 2024 total seed and co-investment holdings of $90.6 million

Dividend

- $0.01 per share interim dividend approved
  - Payable December 27, 2024 to shareholders of record as of the close of business on December 13, 2024

(1) Represents the Company's third party borrowings and revolving credit facility, divided by last twelve months Adjusted EBITDA.
(2) Represents the Company's third party borrowings and revolving credit facility, net of total cash and cash equivalents, divided by last twelve months Adjusted EBITDA.

Supplemental Information

Segment Information for Q3'24 and Q3'23

($ in millions, unless otherwise noted)	Three Months Ended September 30, 2024				Three Months Ended September 30, 2023			
	Quant & Solutions	Other[4]	Reconciling Items[1]	Total U.S. GAAP[3]	Quant & Solutions	Other[4]	Reconciling Items[1]	Total U.S. GAAP[3]
ENI Revenue	**$ 122.2**	**$ —**	**$ 0.9**	**$ 123.1**	**$ 106.5**	**$ —**	**$ 0.8**	**$ 107.3**
ENI Operating Expenses	**49.9**	**4.0**	**9.7**	**63.6**	**44.0**	**3.4**	**(0.3)**	**47.1**
Earnings before variable compensation	**72.3**	**(4.0)**	**(8.8)**	**59.5**	**62.5**	**(3.4)**	**1.1**	**60.2**
Variable compensation	29.0	0.6	(0.2)	29.4	27.8	0.7	—	28.5
Earnings after variable compensation	**43.3**	**(4.6)**	**(8.6)**	**30.1**	**34.7**	**(4.1)**	**1.1**	**31.7**
Affiliate key employee distributions	3.1	—	—	3.1	1.5	—	—	1.5
Earnings after Affiliate key employee distributions	**40.2**	**(4.6)**	**(8.6)**	**27.0**	**33.2**	**(4.1)**	**1.1**	**30.2**
Net interest expense	—	(3.0)	(1.1)	(4.1)	—	(2.7)	(0.4)	(3.1)
Net investment income	—	—	5.5	5.5	—	—	0.4	0.4
Net income attributable to non-controlling interests	—	—	(2.1)	(2.1)	—	—	(0.2)	(0.2)
Income tax (expense) benefit	—	(10.4)	1.0	(9.4)	—	(7.1)	(0.6)	(7.7)
Economic Net Income	**$ 40.2**	**$ (18.0)**	**$ (5.3)**	**$ 16.9**	**$ 33.2**	**$ (13.9)**	**$ 0.3**	**$ 19.6**
Adjusted EBITDA[2]	$ 44.7	$ (4.3)	$ (23.5)	$ 16.9	$ 37.7	$ (3.7)	$ (14.4)	$ 19.6
Segment Assets Under Management ($b)	**$ 120.3**	**$ —**	**$ —**	**$ 120.3**	**$ 97.4**	**$ —**	**$ —**	**$ 97.4**

Please see Definitions and Additional Notes

(1) For further information and additional reconciliations between GAAP and non-GAAP measures, refer to the Reconciliations and Disclosures section of this presentation and the Company's Quarterly Report on Form 10-Q.

(2) Please see Reconciliations and Disclosures for the reconciliation of net income attributable to controlling interests to Adjusted EBITDA and ENI.

(3) Represents U.S. GAAP equivalent of non-GAAP segment information presented. The most directly comparable U.S. GAAP measure of ENI revenue is U.S. GAAP revenue. The most directly comparable U.S. GAAP measure of ENI operating expenses is U.S. GAAP operating expenses, which is comprised of Operating expenses, Variable compensation and Affiliate key employee distributions above. The most directly comparable U.S. GAAP measure of Earnings after Affiliate key employee distributions is U.S. GAAP Operating Income. The U.S. GAAP equivalent of Economic Net Income is U.S. GAAP Net Income attributable to controlling interests. The U.S. GAAP equivalent of Adjusted EBITDA is U.S. GAAP Net Income attributable to controlling interests.

(4) The corporate head office is included within the Other category.

Segment Information for Q2'24

($ in millions, unless otherwise noted)	Three Months Ended June 30, 2024			
	Quant & Solutions	Other[4]	Reconciling Items[1]	Total U.S. GAAP[3]
ENI Revenue	**$ 108.3**	**$ —**	**$ 0.7**	**$ 109.0**
ENI Operating Expenses	**47.7**	**3.8**	**6.9**	**58.4**
Earnings before variable compensation	**60.6**	**(3.8)**	**(6.2)**	**50.6**
Variable compensation	26.8	0.6	0.5	27.9
Earnings after variable compensation	**33.8**	**(4.4)**	**(6.7)**	**22.7**
Affiliate key employee distributions	2.1	—	—	2.1
Earnings after Affiliate key employee distributions	**31.7**	**(4.4)**	**(6.7)**	**20.6**
Net interest expense	—	(3.5)	(0.9)	(4.4)
Net investment income	—	—	0.9	0.9
Net income attributable to non-controlling interest	—	—	(0.5)	(0.5)
Income tax (expense) benefit	—	(6.6)	1.0	(5.6)
Economic Net Income	**$ 31.7**	**$ (14.5)**	**$ (6.2)**	**$ 11.0**
Adjusted EBITDA[2]	$ 36.3	$ (4.3)	$ (21.0)	$ 11.0
Segment Assets Under Management ($b)	**$ 112.6**	**$ —**	**$ —**	**$ 112.6**

Please see Definitions and Additional Notes

(1) *For further information and additional reconciliations between GAAP and non-GAAP measures, refer to the Reconciliations and Disclosures section of this presentation and the Company's Quarterly Report on Form 10-Q.*

(2) *Please see Reconciliations and Disclosures for the reconciliation of net income attributable to controlling interests to Adjusted EBITDA and ENI.*

(3) *Represents U.S. GAAP equivalent of non-GAAP segment information presented. The most directly comparable U.S. GAAP measure of ENI revenue is U.S. GAAP revenue. The most directly comparable U.S. GAAP measure of ENI operating expenses is U.S. GAAP operating expenses, which is comprised of Operating expenses, Variable compensation and Affiliate key employee distributions above. The most directly comparable U.S. GAAP measure of Earnings after Affiliate key employee distributions is U.S. GAAP Operating Income. The U.S. GAAP equivalent of Economic Net Income is U.S. GAAP Net Income attributable to controlling interests. The U.S. GAAP equivalent of Adjusted EBITDA is U.S. GAAP Net Income attributable to controlling interests.*

(4) *The corporate head office is included within the Other category.*

Assets Under Management Rollforward

($ in billions, unless otherwise noted)	Three Months Ended		
	September 30, 2024	September 30, 2023	June 30, 2024
Total			
Beginning balance	$ 112.6	$ 99.9	$ 110.4
Gross inflows	3.1	2.5	8.3
Gross outflows	(3.5)	(3.9)	(9.1)
Reinvested income and distributions	0.9	0.9	0.8
Net flows	**0.5**	**(0.5)**	**—**
Market appreciation (depreciation)	7.2	(2.0)	2.2
Ending balance	**$ 120.3**	**$ 97.4**	**$ 112.6**
Average AUM	$ 116.4	$ 100.5	$ 110.3
ENI management fee rate	38.3	37.6	38.5
Basis points: inflows	57.0	50.7	32.6
Basis points: outflows	39.8	41.9	31.6
Annualized revenue impact of net flows (in millions)	**$ 6.9**	**$ (0.3)**	**$ 1.4**

Reconciliations and Disclosures

Reconciliations from U.S. GAAP to Non-GAAP Measures[1]

($ in millions)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Three Months Ended June 30, 2024
U.S. GAAP net income attributable to controlling interests	**$ 16.9**	**$ 19.6**	**$ 11.0**
Adjustments to reflect the economic earnings of the Company:			
1 Non-cash key employee-owned equity and profit interest revaluations[2]	9.3	(1.3)	5.9
2 Amortization of acquired intangible assets[2]	—	—	—
3 Capital transaction costs[2]	—	—	0.1
4 Seed/Co-investment (gains) losses and financings[2]	(3.0)	0.1	(0.2)
5 Tax benefit of goodwill and acquired intangible deductions	0.4	0.4	0.4
6 Discontinued operations attributable to controlling interests and restructuring [2][3]	—	0.3	1.4
Total adjustment to reflect earnings of the Company	**$ 6.7**	**$ (0.5)**	**$ 7.6**
Tax effect of above adjustments[2]	(1.7)	0.2	(2.0)
7 ENI tax normalization	0.3	—	0.6
Economic net income	**$ 22.2**	**$ 19.3**	**$ 17.2**
ENI net interest expense to third parties	3.0	2.7	3.5
Depreciation and amortization[4]	4.8	4.9	4.7
Tax on Economic Net Income	10.4	7.1	6.6
Adjusted EBITDA	**$ 40.4**	**$ 34.0**	**$ 32.0**

ENI Adjustments

1. Exclude non-cash expenses representing changes in the value of Affiliate equity and profit interests held by Affiliate key employees
2. Exclude non-cash amortization or impairment expenses related to acquired goodwill and other intangibles
3. Exclude capital transaction costs including the costs of raising debt or equity, gains or losses realized as a result of redeeming debt or equity and direct incremental costs associated with acquisitions of businesses or assets
4. Exclude gains/losses on seed capital and co-investments, as well as related financing costs
5. Include cash tax benefits related to tax amortization of acquired intangibles
6. Exclude results of discontinued operations as they are not part of the ongoing business, and restructuring costs incurred in continuing operations
7. Exclude one-off tax benefits or costs unrelated to current operations

Please see Definitions and Additional Notes

(1) For further information and additional reconciliations between U.S. GAAP and non-GAAP measures, see the Company's Quarterly Report on Form 10-Q.

(2) Tax-affected items for which adjustments are included in "Tax effect of above adjustments" line, excluding the discontinued operations component of item 6; taxed at 27.3% U.S. statutory rate (including state tax).

(3) The three months ended September 30, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of $0.3 million and severance-related items at Acadian of $(0.3) million. The three months ended September 30, 2023 includes costs associated with the transfer of an insurance policy from our former Parent of $0.3 million. The three months ended June 30, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of $0.4 million, severance-related items at Acadian of $(0.3) million, and costs associated with the wind-down of the Multi-Asset Class Strategies ("MACS") business in the standalone format of $1.3 million.

(4) Includes non-cash equity-based award amortization expense.

Reconciliations from U.S. GAAP to Non-GAAP Measures[(1)] (cont.)

Reconciliation of per-share U.S. GAAP Net Income to Economic Net Income per share			
($)	Three Months Ended		
	September 30, 2024	September 30, 2023	June 30, 2024
U.S. GAAP net income per share	**$ 0.45**	**$ 0.46**	**$ 0.29**
Adjustments to reflect the economic earnings of the Company:			
i. Non-cash key employee-owned equity and profit interest revaluations	0.25	(0.03)	0.15
ii. Amortization and impairment of goodwill and intangible assets	—	—	—
iii. Capital transaction costs	—	—	—
iv. Seed/Co-investment gains and financing	(0.08)	—	(0.01)
v. Tax benefit of goodwill and acquired intangibles deductions	0.01	0.01	0.01
vi. Discontinued operations and restructuring	—	0.01	0.04
vii. ENI tax normalization	0.01	—	0.02
Tax effect of above adjustments, as applicable	(0.05)	—	(0.05)
Economic net income per share	**$ 0.59**	**$ 0.45**	**$ 0.45**

Reconciliation of U.S. GAAP Revenue to ENI Revenue			
($ in millions)	Three Months Ended		
	September 30, 2024	September 30, 2023	June 30, 2024
U.S. GAAP revenue	**$ 123.1**	**$ 107.3**	**$ 109.0**
Exclude revenue from consolidated Funds	(0.9)	(0.8)	(0.7)
ENI revenue	**$ 122.2**	**$ 106.5**	**$ 108.3**

Please see Definitions and Additional Notes

(1) For further information and additional reconciliations between U.S. GAAP and non-GAAP measures, see the Company's Quarterly Report on Form 10-Q.

Reconciliations from U.S. GAAP to Non-GAAP Measures[(1)] (cont.)

Reconciliation of U.S. GAAP Operating Expense to ENI Operating Expense			
($ in millions)	Three Months Ended		
	September 30, 2024	September 30, 2023	June 30, 2024
U.S. GAAP operating expense	**$ 96.1**	**$ 77.1**	**$ 88.4**
Less: items excluded from ENI			
Non-cash key employee-owned equity and profit interest revaluations	(9.3)	1.3	(5.9)
Restructuring costs[(2)]	—	(0.2)	(1.4)
Funds' operating expense	(0.2)	(0.8)	(0.1)
Less: items segregated out of U.S. GAAP operating expense			
Variable compensation[(3)]	(29.6)	(28.5)	(27.4)
Affiliate key employee distributions	(3.1)	(1.5)	(2.1)
ENI operating expense	**$ 53.9**	**$ 47.4**	**$ 51.5**

Please see Definitions and Additional Notes

(1) For further information and additional reconciliations between U.S. GAAP and non-GAAP measures, see the Company's Quarterly Report on Form 10-Q.

(2) The three months ended September 30, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of $0.3 million and severance-related items at Acadian of $(0.3) million. The three months ended September 30, 2023 includes costs associated with the transfer of an insurance policy from our former Parent of $0.3 million. The three months ended June 30, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of $0.4 million, severance-related items at Acadian of $(0.3) million, and costs associated with the wind-down of the MACS business in the standalone format of $1.3 million.

(3) Represents ENI variable compensation. For the three months ended September 30, 2024, September 30, 2023, and June 30, 2024, the U.S. GAAP equivalent of variable compensation was $29.4 million, $28.5 million and $27.9 million, respectively.

Reconciliations from U.S. GAAP to Non-GAAP Measures[(1)](cont.)

Reconciliation of U.S. GAAP Pre-tax Income to Pre-tax ENI			
($ in millions)	Three Months Ended		
	September 30, 2024	September 30, 2023	June 30, 2024
U.S. GAAP pre-tax income	**$ 28.4**	**$ 27.5**	**$ 17.1**
Adjustments to reflect the economic earnings of the Company:			
Non-cash key employee-owned equity and profit interest revaluations	9.3	(1.3)	5.9
Capital transaction costs	—	—	0.1
Seed/Co-investment (gains) losses and financings	(3.0)	0.1	(0.2)
Discontinued operations and restructuring costs[(2)]	—	0.3	1.4
Net income attributable to non-controlling interests from continuing operations	(2.1)	(0.2)	(0.5)
Pre-tax ENI	**$ 32.6**	**$ 26.4**	**$ 23.8**

Please see Definitions and Additional Notes

(1) For further information and additional reconciliations between U.S. GAAP and non-GAAP measures, see the Company's Quarterly Report on Form 10-Q.

(2) The three months ended September 30, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of $0.3 million, and severance-related items at Acadian of $(0.3) million. The three months ended September 30, 2023 includes costs associated with the transfer of an insurance policy from our former Parent of $0.3 million. The three months ended June 30, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of $0.4 million, severance-related items at Acadian of $(0.3) million, and costs associated with the wind-down of the MACS business in the standalone format of $1.3 million.

Definitions and Additional Notes

References to "BrightSphere," "BSIG" or the "Company" refer to BrightSphere Investment Group Inc.; references to "BSUS" or the "Center" refer to the holding company excluding our Affiliate. BrightSphere currently operates its business through one asset management firm (the "Affiliate"). The Company's distribution activities are conducted in various jurisdictions through affiliated companies in accordance with local regulatory requirements.

The Company uses a non-GAAP performance measure referred to as economic net income ("ENI") to represent its view of the underlying economic earnings of the business. ENI is used to make resource allocation decisions, determine appropriate levels of investment or dividend payout, manage balance sheet leverage, determine Affiliate variable compensation and equity distributions, and incentivize management. The Company's ENI adjustments to U.S. GAAP include both reclassifications of U.S. GAAP revenue and expense items, as well as adjustments to U.S. GAAP results, primarily to exclude non-cash, non-economic expenses, or to reflect cash benefits not recognized under U.S. GAAP.

The Company re-categorizes certain line items on the income statement to:

- exclude the effect of Fund consolidation by removing the portion of Fund revenues, expenses and investment return which is not attributable to its shareholders;
- include within management fee revenue any fees paid to Affiliates by consolidated Funds;
- include the Company's share of earnings from equity-accounted Affiliates within other income, rather than investment income;
- treat sales-based compensation as a general and administrative expense, rather than part of fixed compensation and benefits; and
- identify separately from operating expenses, variable compensation and Affiliate key employee distributions, which represent Affiliate earnings shared with Affiliate key employees.

The Company also makes the following adjustments to U.S. GAAP results to more closely reflect its economic results by:

i. excluding non-cash expenses representing changes in the value of Affiliate equity and profit interests held by Affiliate key employees. These ownership interests may in certain circumstances be repurchased by BrightSphere at a value based on a pre-determined fixed multiple of trailing earnings and as such this value is carried on the Company's balance sheet as a liability. Non-cash movements in the value of this liability are treated as compensation expense under U.S. GAAP. However, any equity or profit interests repurchased by BrightSphere can be used to fund a portion of future variable compensation awards, resulting in savings in cash variable compensation that offset the negative cash effect of repurchasing the equity.
ii. excluding non-cash amortization or impairment expenses related to acquired goodwill and other intangibles as these are non-cash charges that do not result in an outflow of tangible economic benefits from the business.
iii. excluding capital transaction costs, including the costs of raising debt or equity, gains or losses realized as a result of redeeming debt or equity and direct incremental costs associated with acquisitions of businesses or assets.
iv. excluding seed capital and co-investment gains, losses and related financing costs. The net returns on these investments are considered and presented separately from ENI because ENI is primarily a measure of the Company's earnings from managing client assets, which therefore differs from earnings generated by its investments in Affiliate products, which can be variable from period to period.
v. including cash tax benefits associated with deductions allowed for acquired intangibles and goodwill that may not be recognized or have timing differences compared to U.S. GAAP.
vi. excluding the results of discontinued operations attributable to controlling interests since they are not part of the Company's ongoing business, restructuring costs incurred in continuing operations.
vii. excluding deferred tax resulting from changes in tax law and expiration of statutes, adjustments for uncertain tax positions, deferred tax attributable to intangible assets and other unusual items not related to current operating results to reflect ENI tax normalization.

Definitions and Additional Notes

The Company adjusts its income tax expense to reflect any tax impact of its ENI adjustments.

Adjusted EBITDA
Adjusted EBITDA is defined as economic net income before interest, income taxes, depreciation and amortization. The Company notes that its calculation of Adjusted EBITDA may not be consistent with Adjusted EBITDA as calculated by other companies. The Company believes Adjusted EBITDA is a useful liquidity metric because it indicates the Company's ability to make further investments in its business, service debt and meet working capital requirements. Refer to the reconciliation of U.S. GAAP net income attributable to controlling interests to ENI and Adjusted EBITDA.

Segment ENI
Segment ENI represents ENI for the Company's reportable segment, calculated in accordance with the Company's definition of Economic Net Income, before income tax, interest income and interest expense.

Methodologies for calculating investment performance:

Revenue-weighted investment performance measures the percentage of management fee revenue generated by Affiliate strategies which are beating benchmarks. It calculates each strategy's percentage weight by taking its estimated composite revenue over total composite revenues in each period, then sums the total percentage of revenue for strategies outperforming.

Equal-weighted investment performance measures the percentage of Affiliate scale strategies (defined as strategies with greater than $100 million of AUM) beating benchmarks. Each outperforming strategy over $100 million has the same weight; the calculation sums the number of strategies outperforming relative to the total number of composites over $100 million.

Asset-weighted investment performance measures the percentage of AUM in strategies beating benchmarks. It calculates each strategy's percentage weight by taking its composite AUM over total composite AUM in each period, then sums the total percentage of AUM for strategies outperforming.

ENI operating earnings
ENI operating earnings represents ENI earnings before Affiliate key employee distributions and is calculated as ENI revenue, less ENI operating expense, less ENI variable compensation. It differs from economic net income because it does not include the effects of Affiliate key employee distributions, net interest expense or income tax expense.

ENI operating margin
The ENI operating margin, which is calculated before Affiliate key employee distributions, is used by management and is useful to investors to evaluate the overall operating margin of the business without regard to the Company's various ownership levels at each of the Affiliates. ENI operating margin is a non-GAAP efficiency measure, calculated based on ENI operating earnings divided by ENI revenue. The ENI operating margin is most comparable to the Company's U.S. GAAP operating margin.

ENI management fee revenue
ENI management fee revenue corresponds to U.S. GAAP management fee revenue.

ENI operating expense ratio
The ENI operating expense ratio is used by management and is useful to investors to evaluate the level of operating expense as measured against the Company's recurring management fee revenue. The Company has provided this ratio since many operating expenses, including fixed compensation & benefits and general and administrative expense, are generally linked to the overall size of the business. The Company tracks this ratio as a key measure of scale economies at BrightSphere because in its profit sharing economic model, scale benefits both the Affiliate employees and BrightSphere shareholders.

Definitions and Additional Notes

ENI earnings before variable compensation
ENI earnings before variable compensation is calculated as ENI revenue, less ENI operating expense.

ENI variable compensation ratio
The ENI variable compensation ratio is calculated as variable compensation divided by ENI earnings before variable compensation. It is used by management and is useful to investors to evaluate consolidated variable compensation as measured against the Company's ENI earnings before variable compensation. Variable compensation is usually awarded based on a contractual percentage of our Affiliate's ENI earnings before variable compensation and may be paid in the form of cash or non-cash Affiliate equity or profit interests. Center variable compensation includes cash and BrightSphere equity. Non-cash variable compensation awards typically vest over several years and are recognized as compensation expense over that service period.

ENI Affiliate key employee distribution ratio
The Affiliate key employee distribution ratio is calculated as Affiliate key employee distributions divided by ENI operating earnings. The ENI Affiliate key employee distribution ratio is used by management and is useful to investors to evaluate Affiliate key employee distributions as measured against the Company's ENI operating earnings. Affiliate key employee distributions represent the share of Affiliate profits after variable compensation that is attributable to Affiliate key employee equity and profit interests holders, according to their ownership interests. For Affiliate profit interest distributions, BSUS is entitled to an initial preference over profits after variable compensation, structured such that before a preference threshold is reached, there would be no required key employee distributions, whereas for profits above the threshold the key employee distribution amount would be calculated based on the key employee economic percentages at its consolidated Affiliate.

U.S. GAAP operating margin
U.S. GAAP operating margin equals operating income from continuing operations divided by total revenue.

Consolidated Funds

Financial information presented in accordance with U.S. GAAP may include the results of consolidated pooled investment vehicles, or Funds, managed by the Company's Affiliate, where it has been determined that these entities are controlled by the Company. Financial results which are "attributable to controlling interests" exclude the impact of Funds to the extent it is not attributable to the Company's shareholders.

Annualized revenue impact of net flows
Annualized revenue impact of net flows represents annualized management fees expected to be earned on new accounts and net assets contributed to existing accounts (inflows), less the annualized management fees lost on terminated accounts or net assets withdrawn from existing accounts (outflows), plus revenue impact from reinvested income and distribution. Annualized management fee for client flow is calculated by multiplying the annual gross fee rate for the relevant account with the inflow or the outflow. In addition, reinvested income and distribution for each segment is multiplied by average fee rate for the respective segment to compute the revenue impact.

Reinvested income and distributions
Net flows include reinvested income and distributions made by BrightSphere's Affiliate. Reinvested income and distributions represent investment yield not distributed as cash, and reinvested back to the portfolios.

n/m
"Not meaningful."