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BrightSphere Reports Financial and Operating Results for the First Quarter Ended March 31, 2019

- *U.S. GAAP earnings per share of $0.54 for the quarter, up 145.5% from Q4 2018*
- *ENI earnings per share of $0.40 for the quarter, a decrease of (7.0)% from Q4 2018*
- *AUM of $222.3 billion at March 31, 2019, up 7.8% from December 31, 2018*
- *Net client cash flows ("NCCF") for the quarter of $(1.8) billion with an annualized revenue impact of $(5.9) million*

London - May 2, 2019 - BrightSphere Investment Group plc (NYSE: BSIG) reports its results for the first quarter ended March 31, 2019.

"Improving equity markets and net client cash flow trends produced solid results for the quarter, including ENI per share of $0.40," said Guang Yang, BrightSphere's President and Chief Executive Officer. "Our long-term investment performance remains strong across our Affiliates, particularly in our solutions and alternative product areas. As of March 31, assets representing 59%, 72% and 66% of revenue outperformed benchmarks on a three-, five-, and ten-year basis, respectively. Our Affiliates' adherence to their rigorous investment disciplines has produced excellent long-term results that continue to generate demand in the institutional marketplace. Our gross sales increased in Q1'19 relative to Q4'18, and our outflows improved despite continued headwinds in U.S. equity and domestic large-cap subadvisory strategies, resulting in net AUM flows of $(1.8) billion for the quarter and an annualized revenue impact of $(5.9) million.

"We took a number of steps during the quarter to streamline and simplify our business and position BrightSphere for its next phase of growth. We have rationalized our structure and functions at the Center to focus on activities that can drive organic growth, and year-over-year, our total costs declined by approximately $3 million. In addition, we have initiated the process for our U.S. redomicile which is expected to be completed in the third quarter of 2019. We see a range of excellent growth opportunities ahead, and have begun to augment our distribution and business development capabilities, including several excellent new hires on our global team. Members of our Global Distribution Team joined me in Asia and Europe recently, where we engaged in a wide range of discussions with institutional investors in key markets who are seeking the type of high quality investment management expertise our Affiliates are known to provide to their clients."

Mr. Yang concluded, "Finally, we were pleased this quarter to return value to our shareholders with the repurchase of 13,498,078 ordinary shares of BrightSphere at attractive levels. Going forward, our capital management will focus on using our strong free cash flow from operations to support our growth strategy."

Table 1: Key Performance Metrics

($ in millions, unless otherwise noted)	Three Months Ended March 31,			Three Months Ended December 31,	
U.S. GAAP Basis	**2019**	**2018**	**Increase (Decrease)**	**2018**	**Increase (Decrease)**
Revenue	$ 207.2	$ 249.7	(17.0)%	$ 214.5	(3.4)%
Pre-tax income from cont. ops. attributable to controlling interests	74.3	86.0	(13.6)%	39.1	90.0 %
Net income attributable to controlling interests	52.7	57.3	(8.0)%	23.0	129.1 %
Diluted shares outstanding (in millions)	97.8	109.6		105.8	
Diluted earnings per share, $	$ 0.54	$ 0.52	3.8 %	$ 0.22	145.5 %
U.S. GAAP operating margin	32.8%	10.3%	2257 bps	14.0%	1882 bps
Economic Net Income Basis (Non-GAAP measure used by management)					
ENI revenue	$ 205.7	$ 247.8	(17.0)%	$ 212.0	(3.0)%
Pre-tax economic net income	51.6	71.4	(27.7)%	61.1	(15.5)%
Economic net income	39.2	54.9	(28.6)%	45.6	(14.0)%
ENI diluted earnings per share, $	$ 0.40	$ 0.50	(20.0)%	$ 0.43	(7.0)%
Adjusted EBITDA	58.9	79.0	(25.4)%	67.8	(13.1)%
ENI operating margin	33.3%	40.1%	(677) bps	36.6%	(330) bps
Other Operational Information					
Assets under management at period end ($ in billions)	$ 222.3	$ 240.1	(7.4)%	$ 206.3	7.8 %
Net client cash flows ($ in billions)	(1.8)	1.9	n/m	(5.7)	68.4 %
Annualized revenue impact of net flows ($ in millions)	(5.9)	19.0	n/m	(12.3)	52.0 %

Please see "Definitions and Additional Notes." Please see Table 7 for a reconciliation of U.S. GAAP net income attributable to controlling interests to economic net income.

Assets Under Management and Flows

At March 31, 2019, BrightSphere's total assets under management ("AUM") were $222.3 billion, up $16.0 billion, or 7.8%, compared to $206.3 billion at December 31, 2018. The increase in AUM during the three months ended March 31, 2019 primarily reflects net market appreciation of $17.8 billion and net outflows of $(1.8) billion, including hard asset disposals of $(0.1) billion. NCCF improved from Q4 2018 driven by higher gross sales and lower redemptions. For the three months ended March 31, 2019, the annualized revenue impact of the net flows was $(5.9) million with gross inflows of $6.9 billion during the period into higher fee asset classes yielding approximately 34.7 bps, versus gross outflows and hard asset disposals in the same period of $(8.7) billion out of asset classes yielding approximately 34.3 bps. The narrower gap between inflows and outflows bps was driven by a change in mix of flows.

Table 2: Assets Under Management Rollforward Summary

($ in billions, unless otherwise noted)	Three Months Ended		
	March 31, 2019	December 31, 2018	March 31, 2018
Beginning AUM	$ 206.3	$ 237.7	$ 243.0
Gross inflows	6.9	4.3	10.3
Gross outflows	(8.6)	(9.9)	(8.3)
Net flows before hard asset disposals	**(1.7)**	**(5.6)**	**2.0**
Hard asset disposals	(0.1)	(0.1)	(0.1)
Net flows	**(1.8)**	**(5.7)**	**1.9**
Market appreciation (depreciation)	17.8	(25.6)	(3.3)
Other(1)	—	(0.1)	(1.5)
Ending AUM	**$ 222.3**	**$ 206.3**	**$ 240.1**
Basis points: inflows	34.7	45.9	48.9
Basis points: outflows	34.3	32.0	37.4
Annualized revenue impact of net flows ($ in millions)	**$ (5.9)**	**$ (12.3)**	**$ 19.0**
Derived average weighted NCCF ($ in billions)	(1.5)	(3.3)	4.6

(1) "Other" in 2018 primarily relates to the decline in billable AUM as a legacy alternative fund transitioned from billing based on committed AUM to net asset value.

Please see "Definitions and Additional Notes"

Balance Sheet and Capital Management

Condensed Consolidated Balance Sheets as of March 31, 2019 and December 31, 2018 are provided in Table 3 below. At March 31, 2019, the Company had $393.4 million of long-term bonds ($400.0 million face value, net of discount and fees), $235.0 million outstanding on its $350 million credit facility and $0.0 million drawn on a non-recourse seed capital financing facility. Shareholders' deficit (attributable to controlling interests) amounted to $(29.4) million. The change in Shareholders' equity (deficit) was driven by the share repurchases during the first quarter. As of March 31, 2019, the Company's ratio of debt(2) to trailing twelve months Adjusted EBITDA was 2.3x. Of the Company's cash and cash equivalents of $73.3 million at March 31, 2019, $48.8 million was held at Affiliates and $24.5 million was available at the Center.

As of March 31, 2019, the Company had total seed and co-investment holdings of $167.8 million. The Company has drawn $235.0 million on the revolving credit facility, leaving $115.0 million available to be drawn down as of March 31, 2019.

In the three months ended March 31, 2019, the Company purchased 13,498,078 ordinary shares at an average price of $13.28 per share, or approximately $179.3 million in total.

Table 3: Condensed Consolidated Balance Sheets

($ in millions)	March 31, 2019		December 31, 2018	
Assets				
Cash and cash equivalents	$	73.3	$	340.6
Investment advisory fees receivable		151.4		159.1
Investments		211.8		198.5
Other assets		757.0		710.9
Assets of consolidated Funds(1)		162.4		144.6
Total assets	**$**	**1,355.9**	**$**	**1,553.7**
Liabilities and equity				
Accounts payable and accrued expenses	$	93.6	$	225.3
Due to OM plc		30.4		33.0
Third party borrowings		628.4		393.3
Other liabilities		533.5		711.1
Liabilities of consolidated Funds(1)		18.4		14.9
Total liabilities		**1,304.3**		**1,377.6**
Shareholders' equity (deficit)		(29.4)		103.3
Non-controlling interests, including NCI of consolidated Funds(1)		81.0		72.8
Total equity		**51.6**		**176.1**
Total liabilities and equity	**$**	**1,355.9**	**$**	**1,553.7**
Debt / trailing twelve months Adjusted EBITDA(2)		2.3x		2.1x

(1) Consolidated Funds represent certain seed and co-investments.

(2) Calculated per terms of the Company's external revolver and excludes non-recourse borrowings. As of December 31, 2018, the calculation includes amounts owed under the previously agreed acquisition agreement.

Please see "Definitions and Additional Notes"

Investment Performance

Table 4 below presents a summary of the Company's investment performance as of March 31, 2019, December 31, 2018 and March 31, 2018. Performance is shown on a revenue-weighted basis, an equal-weighted basis and an asset-weighted basis. Please see "Definitions and Additional Notes" for further information on the calculation of performance.

Table 4: Investment Performance[1]

(% outperformance vs. benchmark)	Revenue-Weighted		
	March 31, 2019	December 31, 2018	March 31, 2018
3-Year	59%	68%	72%
5-Year	72%	75%	79%
10-Year	66%	76%	91%
	Equal-Weighted		
	March 31, 2019	December 31, 2018	March 31, 2018
3-Year	53%	61%	72%
5-Year	66%	65%	75%
10-Year	76%	80%	88%
	Asset-Weighted		
	March 31, 2019	December 31, 2018	March 31, 2018
3-Year	53%	65%	69%
5-Year	65%	70%	74%
10-Year	57%	70%	92%

Investment performance is calculated gross of fees.

Please see "Definitions and Additional Notes"

(1) As of March 31, 2019 assets representing 27% of revenue were outperforming benchmarks on a 1- year basis, compared to 31% at December 31, 2018 and 62% at March 31, 2018.

As of March 31, 2019, assets representing 59%, 72% and 66% of revenue were outperforming benchmarks on a 3-, 5- and 10-year basis, respectively, compared to 68%, 75% and 76% at December 31, 2018; and 72%, 79% and 91% at March 31, 2018.

Financial Results: U.S. GAAP

Table 5 below presents the Company's U.S. GAAP Statement of Operations. Diluted earnings per share increased 145.5% from $0.22 for the three months ended December 31, 2018 to $0.54 for the three months ended March 31, 2019. Earnings per share calculations are impacted by the shares repurchased in 2018 and 2019 which contributed to a decrease in average diluted shares outstanding of (8.0) million, or (7.6)% between the three-month periods. U.S. GAAP revenue decreased $(7.3) million, or (3.4)%, from $214.5 million for the three months ended December 31, 2018, to $207.2 million for the three months ended March 31, 2019, primarily as a result of lower net performance fees in the three months ended March 31, 2019. Operating expenses decreased $(45.7) million, or (24.7)%, from $184.9 million for the three months ended December 31, 2018, to $139.2 million for the three months ended March 31, 2019, primarily due to decreases in compensation and benefits expense, driven by lower Affiliate equity revaluations and lower acquisition-related consideration as the Landmark earnout was fully accrued as of Q4'18 and settled this quarter. Income tax expense increased from $16.1 million for the three months ended December 31, 2018, to $21.6 million for the three months ended March 31, 2019 reflecting higher earnings in 2019.

Table 5: U.S. GAAP Statement of Operations

($ in millions, unless otherwise noted)	Three Months Ended March 31,			Three Months Ended December 31,	
	2019	**2018**	**Increase (Decrease)**	**2018**	**Increase (Decrease)**
Management fees	$ 207.5	$ 245.0	(15.3)%	$ 204.0	1.7 %
Performance fees	(2.8)	2.0	n/m	6.9	n/m
Other revenue	1.4	2.5	(44.0)%	2.4	(41.7)%
Consolidated Funds' revenue	1.1	0.2	n/m	1.2	(8.3)%
Total revenue	**207.2**	**249.7**	**(17.0)%**	**214.5**	**(3.4)%**
Compensation and benefits (see Table 6)	101.1	189.2	(46.6)%	143.6	(29.6)%
General and administrative	32.5	29.5	10.2 %	35.7	(9.0)%
Amortization of acquired intangibles	1.6	1.6	— %	1.7	(5.9)%
Depreciation and amortization	3.8	3.4	11.8 %	3.9	(2.6)%
Consolidated Funds' expense	0.2	0.4	(50.0)%	—	n/m
Total operating expenses	**139.2**	**224.1**	**(37.9)%**	**184.9**	**(24.7)%**
Operating income	**68.0**	**25.6**	**165.6 %**	**29.6**	**129.7 %**
Investment income (loss)	7.0	66.1	(89.4)%	(3.1)	n/m
Interest income	1.1	0.5	120.0 %	1.2	(8.3)%
Interest expense	(7.0)	(6.3)	11.1 %	(6.2)	12.9 %
Revaluation of DTA deed	—	—	n/m	20.0	(100.0)%
Net consolidated Funds' investment gains (losses)	13.6	(2.4)	n/m	(6.6)	n/m
Income from continuing operations before taxes	**82.7**	**83.5**	**(1.0)%**	**34.9**	**137.0 %**
Income tax expense (benefit)	21.6	28.7	(24.7)%	16.1	34.2 %
Income from continuing operations	**61.1**	**54.8**	**11.5 %**	**18.8**	**225.0 %**
Gain (loss) on disposal of discontinued operations, net of tax	—	—	n/m	—	n/m
Net income	**61.1**	**54.8**	**11.5 %**	**18.8**	**225.0 %**
Net income (loss) attributable to non-controlling interests	8.4	(2.5)	n/m	(4.2)	n/m
Net income attributable to controlling interests	**$ 52.7**	**$ 57.3**	**(8.0)%**	**$ 23.0**	**129.1 %**
Earnings per share, basic, $	$ 0.54	$ 0.52	3.8 %	$ 0.22	145.5 %
Earnings per share, diluted, $	0.54	0.52	3.8 %	0.22	145.5 %
Basic shares outstanding (in millions)	97.6	109.4		105.6	
Diluted shares outstanding (in millions)	97.8	109.6		105.8	
U.S. GAAP operating margin	33%	10%	2257 bps	14%	1882 bps
Pre-tax income from continuing operations attributable to controlling interests	$ 74.3	$ 86.0	(13.6)%	$ 39.1	90.0 %
Net income from continuing operations attributable to controlling interests	52.7	57.3	(8.0)%	23.0	129.1 %

Please see "Definitions and Additional Notes"

Table 6: Components of U.S. GAAP Compensation and Benefits Expense

($ in millions)	Three Months Ended March 31,			Three Months Ended December 31,	
	2019	2018	Increase (Decrease)	2018	Increase (Decrease)
Fixed compensation and benefits[1]	$ 50.8	$ 49.2	3.3 %	$ 45.9	10.7 %
Sales-based compensation	2.7	4.9	(44.9)%	4.1	(34.1)%
Variable compensation[2]	52.7	63.9	(17.5)%	53.5	(1.5)%
Affiliate key employee distributions	13.4	23.7	(43.5)%	13.7	(2.2)%
Non-cash key employee-owned equity revaluations	(20.1)	29.9	n/m	8.7	n/m
Acquisition-related consideration and pre-acquisition employee equity[3]	1.6	17.6	(90.9)%	17.7	(91.0)%
Total U.S. GAAP compensation and benefits expense	**$ 101.1**	**$ 189.2**	**(46.6)%**	**$ 143.6**	**(29.6)%**

(1) For the three months ended March 31, 2019 and 2018, $49.7 million and $46.9 million of fixed compensation and benefits (of the $50.8 million and $49.2 million above), respectively, is included within economic net income, which excludes fixed compensation and benefits paid by our Affiliates on behalf of their customers that is subsequently reimbursed. For the three months ended December 31, 2018, $44.7 million of fixed compensation and benefits (of the $45.9 million above) is included within economic net income, which excludes compensation and benefits associated with the 2018 CEO transition and fixed compensation paid by our Affiliates on behalf of their customers that is subsequently reimbursed.

(2) For the three months ended March 31, 2019, $48.7 million of variable compensation (of the $52.7 million above) is included within economic net income, which excludes variable compensation costs associated with restructuring at the Center. For the three months ended December 31, 2018, $48.3 million of variable compensation (of the $53.5 million above) is included within economic net income, which excludes variable compensation associated with the 2018 CEO transition and variable compensation paid by our Affiliates on behalf of their customers that is subsequently reimbursed.

(3) Reflects amortization of contingent consideration and equity owned by employees, both with a service requirement, associated with the Landmark acquisition; revaluation of the Landmark interests is included in "Non-cash key employee-owned equity revaluations" above.

Please see "Definitions and Additional Notes"

Financial Results: Non-GAAP Economic Net Income

Diluted economic net income per share decreased (7.0)% from $0.43 for the three months ended December 31, 2018 to $0.40 for the three months ended March 31, 2019.

ENI revenue (see Table 8) decreased $(6.3) million or (3.0)%, from $212.0 million to $205.7 million, driven primarily by a decrease in performance fees from $6.9 million to $(2.8) million, principally reflecting the variable nature of performance fees and the heavier Q4 performance period. Average AUM excluding equity-accounted Affiliates (see Table 12) decreased (1.6)% from the three months ended December 31, 2018 to $215.9 billion, and the bps yield on these assets increased from 36.9 bps to 39.0 bps. Total ENI operating expenses (see Table 9) grew 2.8% to $88.5 million, from $86.1 million in the prior quarter as a result of ongoing investments in the business offset by cost control initiatives, and total ENI operating expenses as a percentage of management fee revenue increased 44 bps from 42.2% to 42.7%. Total variable compensation increased 0.8% from $48.3 million to $48.7 million while the ENI variable compensation ratio (variable compensation as a percentage of ENI earnings before variable compensation) increased from 38.4% to 41.6%. Affiliate key employee distributions decreased (2.2)% quarter-over-quarter, from $13.7 million to $13.4 million, primarily due to lower ENI operating earnings and the levered structure of distributions at certain Affiliates. The ratio of Affiliate key employee distributions over ENI operating earnings increased from 17.7% to 19.6% due to lower ENI operating earnings. Tax on economic net income for the three months ended March 31, 2019 and December 31, 2018 was $12.4 million and $15.5 million, respectively, a decrease of $(3.1) million, or (20.0)%, primarily due to lower earnings.

For the three months ended March 31, 2019, Adjusted EBITDA was $58.9 million, a decrease of (13.1)% compared to $67.8 million for the three months ended December 31, 2018. See Table 17 for a reconciliation of U.S. GAAP net income attributable to controlling interests to EBITDA, Adjusted EBITDA and ENI.

Table 7: Reconciliation of U.S. GAAP Net Income to Economic Net Income

($ in millions)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Three Months Ended December 31, 2018
U.S. GAAP net income attributable to controlling interests	**$ 52.7**	**$ 57.3**	**$ 23.0**
Adjustments to reflect the economic earnings of the Company:			
i. Non-cash key employee-owned equity and profit interest revaluations	(20.1)	29.9	8.7
ii. Amortization of acquired intangible assets, acquisition-related consideration and pre-acquisition employee equity	3.2	19.2	19.4
iii. Capital transaction costs	—	—	1.5
iv. Seed/Co-investment (gains) losses and financings	(10.2)	1.8	7.2
v. Tax benefit of goodwill and acquired intangibles deductions	2.3	1.5	1.3
vi. Discontinued operations and restructuring(1)	4.3	(65.6)	(14.7)
vii. ENI tax normalization	0.8	6.8	5.3
Tax effect of above adjustments, as applicable(2)	6.2	4.0	(6.1)
Economic net income	**$ 39.2**	**$ 54.9**	**$ 45.6**

(1) The three months ended March 31, 2019 includes restructuring costs at the Center of $4.0 million and costs associated with the planned redomicile to the U.S. of $0.3 million. The three months ended March 31, 2018 includes the gain on sale of Heitman of $(65.7) million. The three months ended December 31, 2018 include costs associated with the planned redomicile to the U.S. of $1.6 million, CEO transition costs of $4.8 million and a revaluation of the DTA deed with OM plc of $(20.0) million.

(2) Reflects the sum of lines i., ii., iii., iv. and the restructuring component of line vi. multiplied by the 27.3% U.S. statutory tax rate (including state tax).

See Table 14 for a per-share presentation of the above reconciliation.

Please see the definition of Economic Net Income within "Definitions and Additional Notes"

The following table identifies the components of ENI revenue:

Table 8: Components of ENI Revenue

($ in millions)	Three Months Ended March 31, 2019	2018	Increase (Decrease)	Three Months Ended December 31, 2018	Increase (Decrease)
Management fees	$ 207.5	$ 245.0	(15.3)%	$ 204.0	1.7 %
Performance fees	(2.8)	2.0	n/m	6.9	n/m
Other income, including equity-accounted Affiliates	1.0	0.8	25.0 %	1.1	(9.1)%
ENI revenue	**$ 205.7**	**$ 247.8**	**(17.0)%**	**$ 212.0**	**(3.0)%**

See Table 15 for a reconciliation from U.S. GAAP revenue to ENI revenue.

Please see "Definitions and Additional Notes"

The following table identifies the components of ENI operating expense:

Table 9: Components of ENI Operating Expense

($ in millions)	Three Months Ended March 31, 2019	2018	Increase (Decrease)	Three Months Ended December 31, 2018	Increase (Decrease)
Fixed compensation & benefits	$ 49.7	$ 46.9	6.0%	$ 44.7	11.2 %
General and administrative expenses	35.0	34.3	2.0%	37.5	(6.7)%
Depreciation and amortization	3.8	3.4	11.8%	3.9	(2.6)%
ENI operating expense	**$ 88.5**	**$ 84.6**	**4.6%**	**$ 86.1**	**2.8 %**

See Table 16 for a reconciliation from U.S. GAAP operating expense to ENI operating expense.

Please see "Definitions and Additional Notes"

The following table shows our key non-GAAP operating metrics for the three months ended March 31, 2019 and 2018, and December 31, 2018. We present these metrics because they are the measures our management uses to evaluate the profitability of our business and are useful to investors because they represent the key drivers and measures of economic performance within our business model. Please see “Definitions and Additional Notes” for an explanation of each ratio and its usefulness in measuring the economics and operating performance of our business.

Table 10: Key ENI Operating Metrics

($ in millions)	Three Months Ended March 31,			Three Months Ended December 31,	
	2019	2018	Increase (Decrease)	2018	Increase (Decrease)
Numerator: ENI operating earnings[1]	$ 68.5	$ 99.3	(31.0)%	$ 77.6	(11.7)%
Denominator: ENI revenue	$ 205.7	$ 247.8	(17.0)%	$ 212.0	(3.0)%
ENI operating margin	**33.3%**	**40.1%**	**(677) bps**	**36.6%**	**(330) bps**
Numerator: ENI operating expense	$ 88.5	$ 84.6	4.6 %	$ 86.1	2.8 %
Denominator: ENI management fee revenue	$ 207.5	$ 245.0	(15.3)%	$ 204.0	1.7 %
ENI operating expense ratio	**42.7%**	**34.5%**	**812 bps**	**42.2%**	**44 bps**
Numerator: ENI variable compensation	$ 48.7	$ 63.9	(23.8)%	$ 48.3	0.8 %
Denominator: ENI earnings before variable compensation[2]	$ 117.2	$ 163.2	(28.2)%	$ 125.9	(6.9)%
ENI variable compensation ratio	**41.6%**	**39.2%**	**240 bps**	**38.4%**	**319 bps**
Numerator: Affiliate key employee distributions	$ 13.4	$ 23.7	(43.5)%	$ 13.7	(2.2)%
Denominator: ENI operating earnings[1]	$ 68.5	$ 99.3	(31.0)%	$ 77.6	(11.7)%
ENI Affiliate key employee distributions ratio	**19.6%**	**23.9%**	**(431) bps**	**17.7%**	**191 bps**
Numerator: Tax on economic net income	$ 12.4	$ 16.5	(24.8)%	$ 15.5	(20.0)%
Denominator: Pre-tax economic net income	$ 51.6	$ 71.4	(27.7)%	$ 61.1	(15.5)%
Economic net income effective tax rate	**24.0%**	**23.1%**	**92 bps**	**25.4%**	**(134) bps**

(1) 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.

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

Please see “Definitions and Additional Notes”

Please refer to the Company’s Quarterly Report on Form 10-Q for comparable U.S. GAAP metrics.

Dividend Declaration

The Company's Board of Directors approved a quarterly interim dividend of $0.10 per share payable on June 28, 2019 to shareholders of record as of the close of business on June 14, 2019.

About BrightSphere

BrightSphere is a global, multi-boutique asset management company with $222.3 billion of assets under management as of March 31, 2019. Its diverse Affiliates offer leading, alpha generating investment products to investors around the world. BrightSphere's partnership approach, which includes equity ownership at the Affiliate level and a profit sharing relationship between BrightSphere and its Affiliates, aligns the interests of the Company and its Affiliates to work collaboratively in accelerating their growth. BrightSphere's business model combines the investment talent, entrepreneurialism, focus and creativity of leading asset management boutiques with the resources and capabilities of a larger firm. For more information about BrightSphere, please visit the Company's website at www.bsig.com.

Forward Looking Statements

This press release includes forward-looking statements, as that term is used in the Private Securities Litigation Reform Act of 1995, including information relating to anticipated growth in revenues, margins or earnings, anticipated changes in the Company's business, anticipated future performance of the Company's business, the impact of the Landmark acquisition, anticipated future investment performance of the Company's Affiliates, the impact of the proposed redomestication to the United States, expected future net cash flows, anticipated expense levels, changes in expense, the expected effects of acquisitions and expectations regarding market conditions. The words or phrases ''will likely result,'' ''are expected to,'' ''will continue,'' ''is anticipated,'' ''can be,'' ''may be,'' ''aim to,'' ''may affect,'' ''may depend,'' ''intends,'' ''expects,'' ''believes,'' ''estimate,'' ''project,'' and other similar expressions are intended to identify such forward-looking statements. Such statements are subject to various known and unknown risks and uncertainties and readers should be cautioned that any forward-looking information provided by or on behalf of the Company is not a guarantee of future performance.

Actual results may differ materially from those in forward-looking information as a result of various factors, some of which are beyond the Company's control, including but not limited to those discussed above and elsewhere in this press release and in the Company's most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 28, 2019. Due to such risks and uncertainties and other factors, the Company cautions each person receiving such forward-looking information not to place undue reliance on such statements. Further, such forward-looking statements speak only as of the date of this press release and the Company undertakes no obligations to update any forward looking statement to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

Conference Call Dial-in

The Company will hold a conference call and simultaneous webcast to discuss the results at 11:00 a.m. Eastern Time on May 2, 2019. The Company has also released an earnings presentation that will be discussed during the conference call. Please go to https://ir.bsig.com to download the presentation. To listen to the call or view the webcast, participants should:

Dial-in:

Toll Free Dial-in Number:	(844) 445-4807
International Dial-in Number:	(647) 253-8636
Conference ID:	5849807

Link to Webcast:

http://event.on24.com/r.htm?e=1979016&s=1&k=CBC89A2D66498FB0969B9FC8D7A5A79D

Dial-in Replay:

A replay of the call will be available beginning approximately one hour after its conclusion either on BrightSphere's website, at https://ir.bsig.com or at:

Toll Free Dial-in Number:	(800) 585-8367
International Dial-in Number:	(416) 621-4642
Conference ID:	5849807

Table 11: Assets Under Management Rollforward by Asset Class

($ in billions, unless otherwise noted)	Three Months Ended				
	March 31, 2019	December 31, 2018	September 30, 2018	June, 30, 2018	March 31, 2018
U.S. equity					
Beginning balance	$ 62.6	$ 76.0	$ 74.8	$ 76.6	$ 81.2
Gross inflows	1.0	0.8	0.7	0.7	1.5
Gross outflows	(2.7)	(4.1)	(3.6)	(4.6)	(3.1)
Net flows	(1.7)	(3.3)	(2.9)	(3.9)	(1.6)
Market appreciation (depreciation)	6.9	(10.1)	4.1	2.1	(3.0)
Ending balance	**$ 67.8**	**$ 62.6**	**$ 76.0**	**$ 74.8**	**$ 76.6**
Average AUM	$ 66.5	$ 69.7	$ 76.2	$ 76.1	$ 80.2
Average AUM of consolidated Affiliates	$ 64.5	$ 67.7	$ 73.9	$ 74.0	$ 78.1
Global / non-U.S. equity					
Beginning balance	$ 106.8	$ 124.7	$ 122.3	$ 126.3	$ 126.2
Gross inflows	5.1	2.9	3.8	4.4	4.8
Gross outflows	(4.5)	(5.3)	(3.1)	(4.9)	(4.7)
Net flows	0.6	(2.4)	0.7	(0.5)	0.1
Market appreciation (depreciation)	10.2	(15.5)	1.7	(3.5)	—
Ending balance	**$ 117.6**	**$ 106.8**	**$ 124.7**	**$ 122.3**	**$ 126.3**
Average AUM(1)	$ 114.5	$ 114.8	$ 124.4	$ 125.1	$ 128.3
Fixed income					
Beginning balance	$ 13.1	$ 13.2	$ 13.8	$ 13.9	$ 13.5
Gross inflows	0.4	0.3	0.3	0.4	0.9
Gross outflows	(1.2)	(0.4)	(1.0)	(0.3)	(0.2)
Net flows	(0.8)	(0.1)	(0.7)	0.1	0.7
Market appreciation (depreciation)	0.6	—	0.1	(0.2)	(0.3)
Ending balance	**$ 12.9**	**$ 13.1**	**$ 13.2**	**$ 13.8**	**$ 13.9**
Average AUM(1)	$ 13.0	$ 13.1	$ 13.6	$ 13.9	$ 13.6
Alternatives					
Beginning balance	$ 23.8	$ 23.8	$ 23.4	$ 23.3	$ 22.1
Gross inflows	0.4	0.3	2.1	0.6	3.1
Gross outflows	(0.2)	(0.1)	(0.2)	(0.3)	(0.3)
Hard asset disposals	(0.1)	(0.1)	(1.6)	(0.1)	(0.1)
Net flows	0.1	0.1	0.3	0.2	2.7
Market appreciation (depreciation)	0.1	—	0.1	(0.1)	—
Other(2)	—	(0.1)	—	—	(1.5)
Ending balance	**$ 24.0**	**$ 23.8**	**$ 23.8**	**$ 23.4**	**$ 23.3**
Average AUM(1)	$ 23.9	$ 23.8	$ 23.1	$ 23.3	$ 22.4
Total					
Beginning balance	$ 206.3	$ 237.7	$ 234.3	$ 240.1	$ 243.0
Gross inflows	6.9	4.3	6.9	6.1	10.3
Gross outflows	(8.6)	(9.9)	(7.9)	(10.1)	(8.3)
Hard asset disposals	(0.1)	(0.1)	(1.6)	(0.1)	(0.1)
Net flows	(1.8)	(5.7)	(2.6)	(4.1)	1.9
Market appreciation (depreciation)	17.8	(25.6)	6.0	(1.7)	(3.3)
Other(2)	—	(0.1)	—	—	(1.5)
Ending balance	**$ 222.3**	**$ 206.3**	**$ 237.7**	**$ 234.3**	**$ 240.1**
Average AUM	$ 217.9	$ 221.4	$ 237.3	$ 238.4	$ 244.5
Average AUM of consolidated Affiliates	$ 215.9	$ 219.4	$ 235.0	$ 236.3	$ 242.4
Basis points: inflows	34.7	45.9	52.5	42.3	48.9
Basis points: outflows	34.3	32.0	33.2	40.2	37.4
Annualized revenue impact of net flows (in millions)	**$ (5.9)**	**$ (12.3)**	**$ 4.7**	**$ (15.2)**	**$ 19.0**
Derived average weighted NCCF	(1.5)	(3.3)	1.2	(3.9)	4.6

(1) Average AUM equals average AUM of consolidated Affiliates.

(2) "Other" in the three months ended March 31, 2018 primarily relates to the decline in billable AUM as a legacy alternative fund transitioned from billing based on committed AUM to net asset value.

Please see "Definitions and Additional Notes"

Table 12: Management Fee Revenue and Average Fee Rates on Assets Under Management

($ in millions, except AUM data in billions)	Three Months Ended									
	March 31, 2019		December 31, 2018		September 30, 2018		June, 30, 2018		March 31, 2018	
	Revenue	Basis Pts	Revenue	Basis Pts	Revenue	Basis Pts	Revenue	Basis Pts	Revenue	Basis Pts
U.S. equity	$ 40.4	25	$ 41.2	24	$ 45.3	24	$ 45.5	25	$ 47.6	25
Global/non-U.S. equity	116.9	41	112.5	39	123.0	39	126.2	40	128.6	41
Fixed income	6.4	20	6.5	20	6.7	20	6.8	20	6.8	20
Alternatives	43.8	74	43.8	73	54.6	94	47.9	82	62.0	112
Management fee revenue	**$ 207.5**	**39.0**	**$ 204.0**	**36.9**	**$ 229.6**	**38.8**	**$ 226.4**	**38.4**	**$ 245.0**	**41.0**
Average AUM excluding equity-accounted Affiliates	$ 215.9		$ 219.4		$ 235.0		$ 236.3		$ 242.4	
Average AUM including equity-accounted Affiliates and weighted average fee rate	$ 217.9	39.2	$ 221.4	37.1	$ 237.3	38.9	238.4	38.6	$ 244.5	41.1

Amounts shown exclude equity-accounted Affiliates unless otherwise noted.

Please see "Definitions and Additional Notes"

Table 13: Assets Under Management by Affiliate

($ in billions)	March 31, 2019	December 31, 2018	March 31, 2018
Acadian Asset Management	$ 96.0	$ 86.2	$ 99.5
Barrow, Hanley, Mewhinney & Strauss	75.7	72.0	86.7
Campbell Global	4.8	4.6	5.2
Copper Rock Capital Partners	4.3	4.0	6.1
Investment Counselors of Maryland(1)	2.1	1.8	2.0
Landmark Partners	18.0	17.8	16.2
Thompson, Siegel & Walmsley	21.4	19.9	24.4
Total assets under management	**$ 222.3**	**$ 206.3**	**$ 240.1**

(1) Equity-accounted Affiliate.

Please see "Definitions and Additional Notes"

Table 14: Reconciliation of per-share U.S. GAAP Net Income to Economic Net Income

($)	Three Months Ended March 31,		Three Months Ended December 31,
	2019	2018	2018
U.S. GAAP net income per share	**$ 0.54**	**$ 0.52**	**$ 0.22**
Adjustments to reflect the economic earnings of the Company:			
i. Non-cash key employee-owned equity and profit interest revaluations	(0.20)	0.27	0.08
ii. Amortization of acquired intangible assets, acquisition-related consideration and pre-acquisition employee equity	0.03	0.18	0.18
iii. Capital transaction costs	—	—	0.02
iv. Seed/Co-investment (gains) losses and financing	(0.10)	0.02	0.07
v. Tax benefit of goodwill and acquired intangibles deductions	0.02	0.01	0.01
vi. Discontinued operations and restructuring	0.04	(0.60)	(0.14)
vii. ENI tax normalization	0.01	0.06	0.05
Tax effect of above adjustments, as applicable	0.06	0.04	(0.06)
Economic net income per share	**$ 0.40**	**$ 0.50**	**$ 0.43**

Please see "Definitions and Additional Notes"

Table 15: Reconciliation of U.S. GAAP Revenue to ENI Revenue

($ in millions)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Three Months Ended December 31, 2018
U.S. GAAP revenue	$ 207.2	$ 249.7	$ 214.5
Include investment return on equity-accounted Affiliates	0.6	0.6	0.6
Exclude revenue from consolidated Funds	(1.1)	(0.2)	(1.2)
Exclude fixed compensation reimbursed by customers	(1.0)	(2.3)	(1.9)
ENI revenue	**$ 205.7**	**$ 247.8**	**$ 212.0**

Please see "Definitions and Additional Notes"

Table 16: Reconciliation of U.S. GAAP Operating Expense to ENI Operating Expense

($ in millions)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Three Months Ended December 31, 2018
U.S. GAAP operating expense	$ 139.2	$ 224.1	$ 184.9
Less: items excluded from ENI			
Acquisition-related consideration and pre-acquisition employee equity(1)	(1.6)	(17.6)	(17.7)
Non-cash key employee-owned equity and profit interest revaluations	20.1	(29.9)	(8.7)
Amortization of acquired intangible assets	(1.6)	(1.6)	(1.7)
Capital transaction costs	—	—	(1.5)
Restructuring costs(2)	(4.3)	(0.1)	(5.3)
Compensation reimbursed by customers	(1.0)	(2.3)	(1.9)
Funds' operating expense	(0.2)	(0.4)	—
Less: items segregated out of U.S. GAAP operating expense			
Variable compensation	(48.7)	(63.9)	(48.3)
Affiliate key employee distributions	(13.4)	(23.7)	(13.7)
ENI operating expense	**$ 88.5**	**$ 84.6**	**$ 86.1**

(1) Reflects amortization of contingent consideration and equity owned by employees, both with a service requirement, associated with the Landmark acquisition; contingent consideration was fully amortized as of December 31, 2018. Revaluation of the Landmark interests is included in "Non-cash key employee-owned equity and profit interest revaluations" above.

(2) The three months ended March 31, 2019 includes restructuring costs at the Center and costs associated with the planned redomicile to the U.S. The three months ended March 31, 2018 and December 31, 2018 includes CEO transition costs and costs associated with the planned redomicile to the U.S.

Please see "Definitions and Additional Notes"

Table 17: Reconciliation of Net Income to EBITDA, Adjusted EBITDA and Economic Net Income

($ in millions)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Three Months Ended December 31, 2018
Net income attributable to controlling interests	**$ 52.7**	**$ 57.3**	**$ 23.0**
Net interest expense	5.9	5.8	5.0
Income tax expense (benefit) (including tax expenses related to discontinued operations)	21.6	28.7	16.0
Depreciation and amortization (including intangible assets)	5.4	5.0	5.6
EBITDA	**$ 85.6**	**$ 96.8**	**$ 49.6**
Non-cash compensation costs associated with revaluation of Affiliate key employee-owned equity and profit-sharing interests	(20.1)	29.9	8.7
Amortization of acquisition-related consideration and pre-acquisition employee equity	1.6	17.6	17.7
EBITDA of discontinued operations	—	—	0.1
Deferred tax asset deed revaluation	—	—	(20.0)
(Gain) loss on seed and co-investments	(12.5)	0.2	5.0
Restructuring[(1)]	4.3	(65.6)	5.2
Capital transaction costs	—	—	1.5
Other	—	0.1	—
Adjusted EBITDA	**$ 58.9**	**$ 79.0**	**$ 67.8**
ENI net interest expense to third parties	(3.5)	(4.2)	(2.8)
Depreciation and amortization	(3.8)	(3.4)	(3.9)
Tax on economic net income	(12.4)	(16.5)	(15.5)
Economic net income	**$ 39.2**	**$ 54.9**	**$ 45.6**

(1) The three months ended March 31, 2019 includes restructuring costs at the Center and costs associated with the planned redomicile to the U.S. The three months ended March 31, 2018 includes the gain on sale of Heitman. The three months ended December 31, 2018 includes CEO transition costs and costs related to the Company's planned redomicile to the U.S.

Please see "Definitions and Additional Notes"

Definitions and Additional Notes

References to “BrightSphere” “BSIG” or the “Company” refer to BrightSphere Investment Group plc; references to “OM plc” refer to Old Mutual plc, the Company’s former parent; references to “BSUS” or the “Center” refer to the holding company excluding the Affiliates; references to "Landmark" refer to Landmark Partners, LLC, acquired by the Company in August 2016. BrightSphere operates its business through seven boutique asset management firms (the “Affiliates”). BrightSphere’s distribution activities are conducted in various jurisdictions through affiliated companies in accordance with local regulatory requirements.

Given that EBITDA, Adjusted EBITDA and ENI are measures not deemed to be in accordance with U.S. GAAP and are susceptible to varying calculations, our EBITDA, Adjusted EBITDA and ENI may not be comparable to similarly titled measures of other companies, including companies in our industry, because other companies may calculate EBITDA, Adjusted EBITDA and ENI in a different manner than we calculate the measures.

Economic net income

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, which are viewed as investment income under U.S. GAAP;
- 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;
- identify separately from operating expenses, variable compensation and Affiliate key employee distributions, which represent Affiliate earnings shared with Affiliate key employees; and
- net the separate revenues and expenses recorded under U.S. GAAP for certain Fund expenses initially paid by its Affiliates on the Fund’s behalf and subsequently reimbursed, to better reflect the actual economics of the Company’s business.

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. It also excludes the amortization of acquisition-related contingent consideration, as well as the value of employee equity owned pre-acquisition, as occurred as a result of the Landmark transaction, where such items have been included in compensation expense as a result of ongoing service requirements for certain employees. Please note that the revaluations related to these acquisition-related items are included in (i) above.
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, and 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.

The Company adjusts its income tax expense to reflect any tax impact of its ENI adjustments. Please see Table 7 for a reconciliation of U.S. GAAP net income attributable to controlling interests to economic net income.

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. Please see Table 17 for a reconciliation of U.S. GAAP net income attributable to controlling interests to EBITDA, Adjusted EBITDA and ENI.

Methodologies for calculating investment performance(1)*:*

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 Affiliates' 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.

(1) Barrow Hanley's Windsor II Large Cap Value account AUM and return are separated from Barrow Hanley's Large Cap Value composite in revenue-weighted, equal-weighted and asset-weighted outperformance percentage calculations.

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 our 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 our U.S. GAAP operating margin.

ENI management fee revenue

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

Net catch-up fees

Net catch-up fees represent payment of fund management fees back to the initial closing date for certain products with multiple closings, less placement fees paid to third parties related to these funds.

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 our recurring management fee revenue. We have 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. We track this ratio as a key measure of scale economies at BrightSphere because in our profit sharing economic model, scale benefits both the Affiliate employees and BrightSphere shareholders.

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 our ENI earnings before variable compensation. Variable compensation is usually awarded based on a contractual percentage of each 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. The variable compensation ratio at each Affiliate will typically be between 25% and 35%.

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 our 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. At certain Affiliates, 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, which range from approximately 20% to 40% at our consolidated Affiliates.

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 our Affiliates, 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 our shareholders.

Annualized revenue impact of net flows (“NCCF”)

Annualized revenue impact of net flows represents the difference between annualized management fees expected to be earned on new accounts and net assets contributed to existing accounts, less the annualized management fees lost on terminated accounts or net assets withdrawn from existing accounts, including equity-accounted Affiliates. Annualized revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained in the account in the event of a positive flow or the net assets lost in the account in the event of an outflow and is designed to provide investors with a better indication of the potential financial impact of net client cash flows.

Hard asset disposals

Net flows in Table 1, Table 2 and Table 11 include hard asset disposals and fund distributions made by BrightSphere’s Affiliates. This category is made up of investment-driven asset dispositions by Landmark, investing in real estate funds and secondary private equity; or Campbell, a timber manager.

Derived average weighted NCCF

Derived average weighted NCCF reflects the implied NCCF if annualized revenue impact of net flows represents asset flows at the weighted fee rate for BrightSphere overall (i.e. 39.2 bps in Q1'19). For example, NCCF annualized revenue impact of $(5.9) million divided by the average weighted fee rate of BrightSphere’s overall AUM of 39.2 bps equals the derived average weighted NCCF of $(1.5) billion.

n/m

“Not meaningful.”