



ACADIAN ASSET MANAGEMENT

**Q4 2024
EARNINGS PRESENTATION**

February 6, 2025



Kelly Young

President and Chief Executive Officer



Brendan Bradley

Chief Investment Officer



Melody Huang

Director of Finance and Investor Relations

Acadian: Only Pure-Play Publicly-Traded Systematic Manager

Nearly 40-year operating history

- ▶ Founded in 1986, Acadian has delivered sustained outperformance across investment strategies and through market cycles

Pure systematic investment firm

- ▶ Managing \$117B of AUM, Acadian is a pure systematic manager applying data and technology to the evaluation of global stocks and corporate bonds

Strong outperformance

- ▶ 93% of strategies by revenue outperforming benchmarks over 5-year period, with 4.4% annualized excess return

Innovative culture

- ▶ Competitive edge in the convergence of talented people, rich data, and powerful tools, 120+ person investment team with 100+ advanced analytical degrees

Strong growth platform

- ▶ Implementing product and distribution initiatives to drive sustainable growth

Data as of December 31, 2024
Please see Definitions and Additional Notes

Acadian Q4 2024: Strong Outperformance

Key Performance Metrics

	Q4'23	Q4'24	Increase (Decrease)
Net income attributable to controlling interests \$m	\$22.8	\$42.5	86%
U.S. GAAP diluted EPS	\$0.54	\$1.13	109%
Economic net income \$m	\$32.6	\$49.0	50%
ENI diluted EPS	\$0.77	\$1.30	69%
Adjusted EBITDA \$m	\$51.5	\$72.8	41%
NCCF \$b	\$(2.0)	\$0.9	
EOP AUM \$b	\$103.7	\$117.3	13%

Highlights

- U.S. GAAP EPS of \$1.13 up 109% compared to Q4'23
- ENI diluted EPS up 69% compared to Q4'23, highest ever quarterly ENI EPS
- Adjusted EBITDA up 41% compared to Q4'23
- \$0.9 billion of positive net flows
- \$117.3 billion AUM

Please see Reconciliations and Disclosures
Please see Definitions and Additional Notes

Acadian 2024: Strong Outperformance

Key Performance Metrics

	FY 2023	FY 2024	Increase (Decrease)
Net income attributable to controlling interests \$m	\$65.8	\$85.0	29%
U.S. GAAP diluted EPS	\$1.55	\$2.22	43%
Economic net income \$m	\$75.7	\$105.8	40%
ENI diluted EPS	\$1.78	\$2.76	55%
Adjusted EBITDA \$m	\$133.8	\$177.1	32%
NCCF \$b	\$(2.3)	\$1.8	
EOP AUM \$b	\$103.7	\$117.3	13.1%

Highlights

- U.S. GAAP EPS of \$2.22 up 43% compared to 2023
- ENI diluted EPS up 55% compared to 2023, highest ever full-year EPS
- Adjusted EBITDA up 32% compared to 2023
- \$1.8 billion of positive net flows

Please see Reconciliations and Disclosures
Please see Definitions and Additional Notes

The Systematic Edge

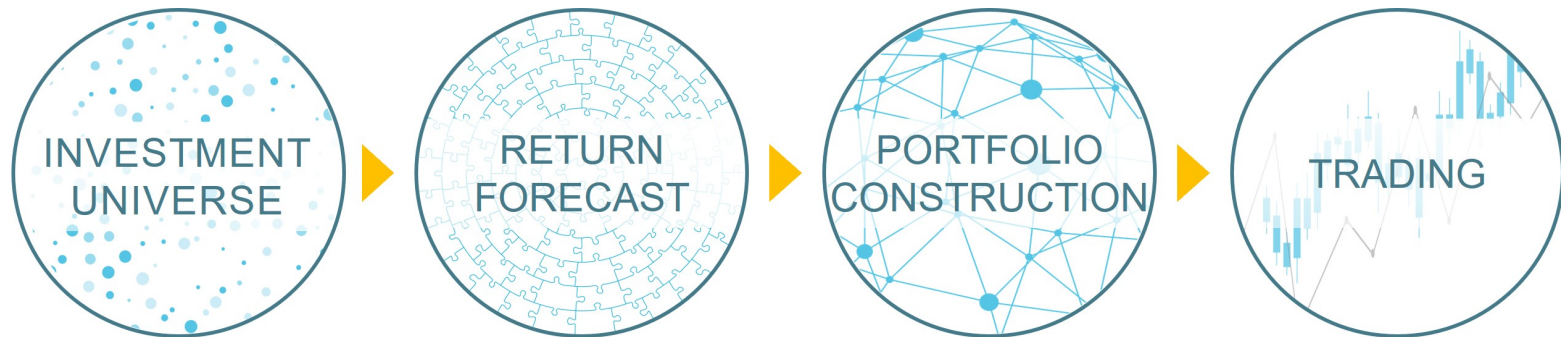
A Proven Investment Philosophy

Financial assets are often **mispriced** due to investors incorrectly processing information, having incomplete information, or both

Systematic processes capture inefficiencies arising from mispriced fundamental and market information

Our **edge** comes from embracing new ideas and a continuous investment in people, technology, and data

A Systematic, Data-Driven Process



Systematic Investing Capabilities Built On



Economic intuition & insights of a talented, experienced, diverse group of investors:

120+ person investment team | 1600+ years' collective experience

100+ advanced analytical degrees

PEOPLE

DATA

Extensive data repository supplemented by alternative data scouting effort:

500M+ daily observations | 58TB+ data

150+ global markets



Transforming information into insights:

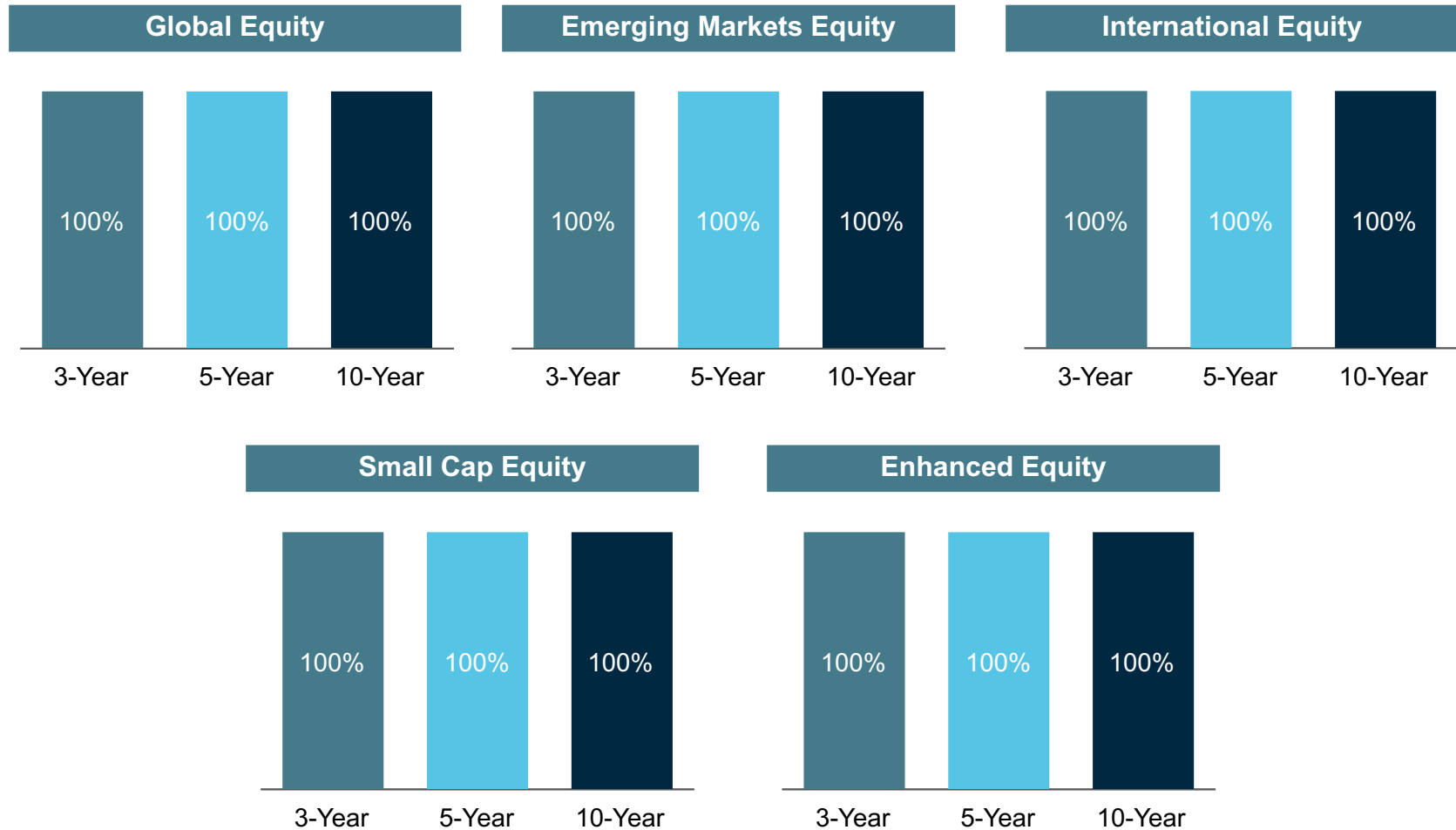
Robust technological infrastructure

Sophisticated analytical tools & portfolio attribution
illuminate trends, relationships, and drivers of alpha

CLARITY

Strong Performance Track Records

% of Major Strategy Group Assets Outperforming Benchmarks



Data as of December 31, 2024

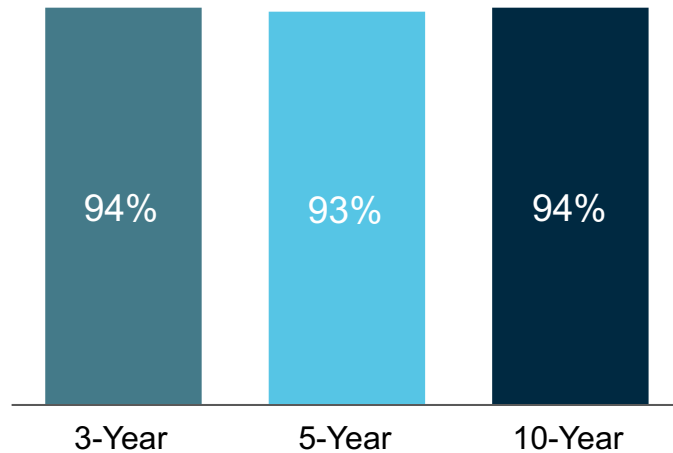
Figures calculated using gross of fee strategy composite returns. Global, Emerging, and International Equity groupings reflect similar composites focused on common geographies. Enhanced and Small cap Equity mandates are separately reflected. See Definitions and Additional Notes for additional information on the methodology used to calculate investment performance. Past performance is no guarantee of future results. This is not investment advice and may not be construed as sales or marketing material for any financial product or service sponsored or provided by Acadian.

Meaningful Long Term Alpha Generation

Revenue Weighted

+4.4%

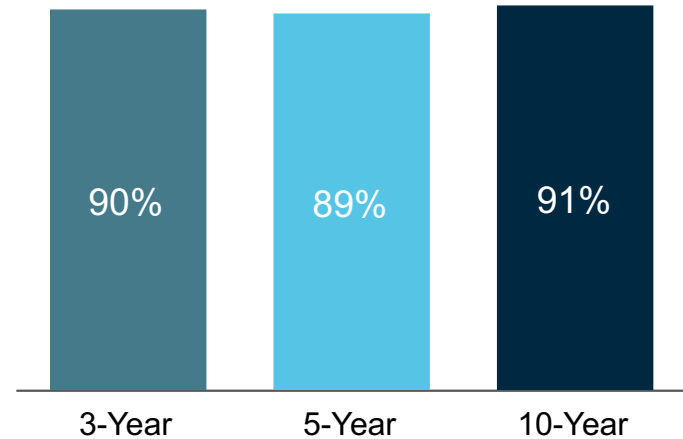
5-year annualized return in excess of benchmark



Asset Weighted

+3.5%

5-year annualized return in excess of benchmark



Consolidated Firmwide Investment Performance

Data as of December 31, 2024

Please see Definitions and Additional Notes for additional information on the methodology used to calculate investment performance. Past performance is no guarantee of future results. This is not investment advice and may not be construed as sales or marketing material for any financial product or service sponsored or provided by Acadian.

Distribution Platform

> 1,000

institutional client accounts

> 10 years

average relationship length
with top 50 clients

> 90

experienced distribution
professionals

40

countries represented
across client base

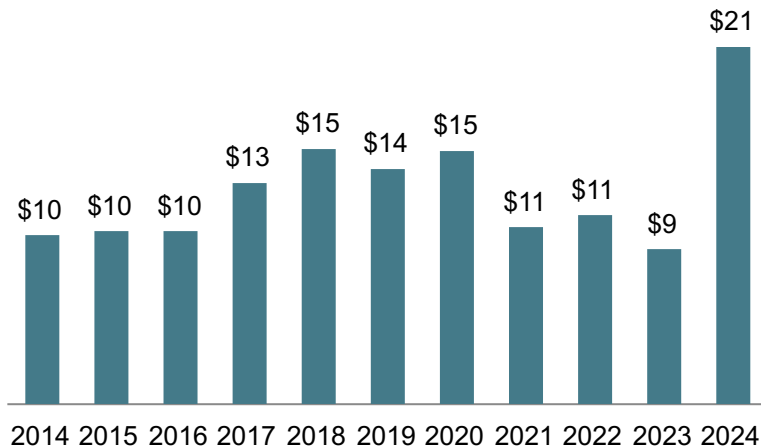
~40

investment consultant
relationships

4

global distribution offices
serving clients

Gross Sales (\$ in billions)

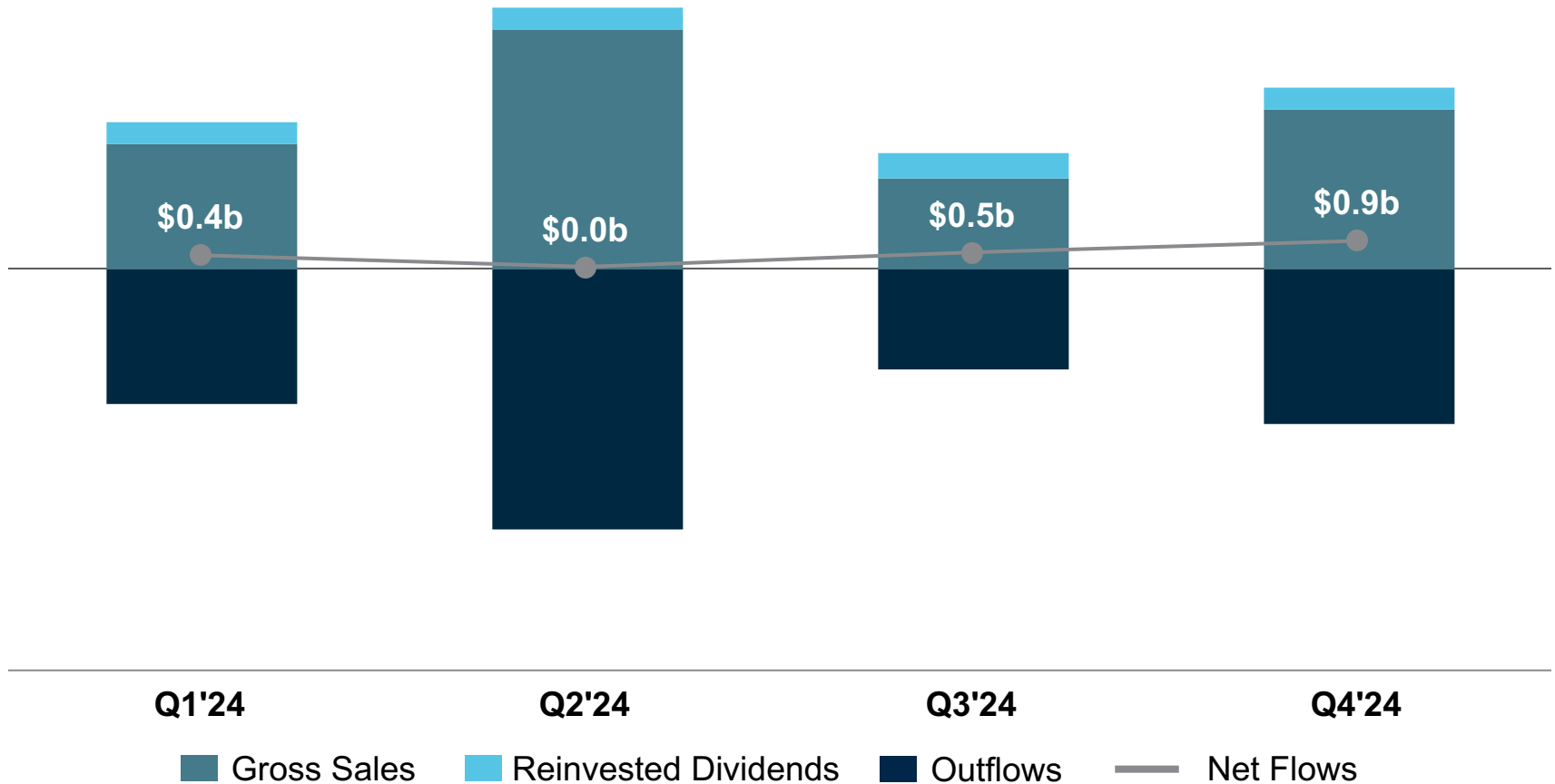


Acadian: Established Institutional Investment Manager

- 6 clients among the top 20 global asset owners
- 27 clients among the top 50 U.S. retirement plans
- > 50% of assets from clients invested in multiple Acadian strategies
- 36% of assets managed for clients outside the U.S.
- > 80 institutional-quality funds available for investors
- \$21B gross sales in 2024
- \$117B AUM

Data as of December 31, 2024

Positive 2024 Net Flows



Product Initiatives to Drive Growth

Enhanced Equity

Equity Extensions

Systematic Credit

Equity Alternatives

Growth Opportunities: Enhanced Equity

- Targeting broad investor demand for lower fee, more consistent return allocations as well as investors in \$16 trillion global passive equity market (42% of total externally managed equity assets) seeking improved performance with modest incremental risk⁽¹⁾
- Enhanced equity strategies offer attractive risk-adjusted returns with comparatively lower active risk relative to standard active offerings
- Example indexes: Russell 1000, S&P 500, MSCI World, MSCI EM

Opportunity

- Repackages Acadian's equity capabilities to meet market demand for lower fee, lower risk solutions
- Investors seeking above market returns with lower drawdown risks

Acadian Edge

- Acadian leverages advanced risk modeling and portfolio construction to customize for large mandates
- Offers clients more risk-controlled access to Acadian alpha signals

⁽¹⁾ Source eVestment, see Definitions and Additional Notes

Growth Opportunities: Equity Extensions

- Extension strategies are a form of high conviction investing
- These portfolios use both long and short positions to increase a manager's active views while keeping the underlying capital invested and market exposure roughly unchanged
- Example strategy: 130% long / 30% short / 100% net exposure

Opportunity

- Repackages Acadian's equity capabilities for higher return, higher risk tolerance institutional clients
- Notable competitors are at capacity
- Improve return for capital invested; capital efficiency is more appealing to investors in an expected low-return environment

Acadian Edge

- Acadian alpha is effective for both long and short positions
- Advanced risk management techniques support offsetting risks across long and short positions

Growth Opportunities: Scaling Systematic Credit

- First strategies seeded in Q4 2023 and live track records for U.S. High Yield, Global High Yield, and U.S. Investment Grade
- Targeting \$3T active corporate credit space with offerings across high yield, investment grade, and long duration⁽¹⁾

Opportunity

- Few systematic managers have meaningful credit capabilities
- Data availability and electronic trading enable systematic offerings
- Attractive all-in yields increasing demand for rate-sensitive assets

Acadian Edge

- State-of-the-art capabilities leveraging our systematic experience
- Acadian's transparency into attribution and value drivers is unique within the credit space

⁽¹⁾ Source eVestment, see Definitions and Additional Notes

Growth Opportunities: Scaling Equity Alternatives

- First strategies seeded in Q4 2022
- Targeting multi-strategy hedge fund market, which is amongst the fastest growing segments of the global hedge fund industry

Opportunity

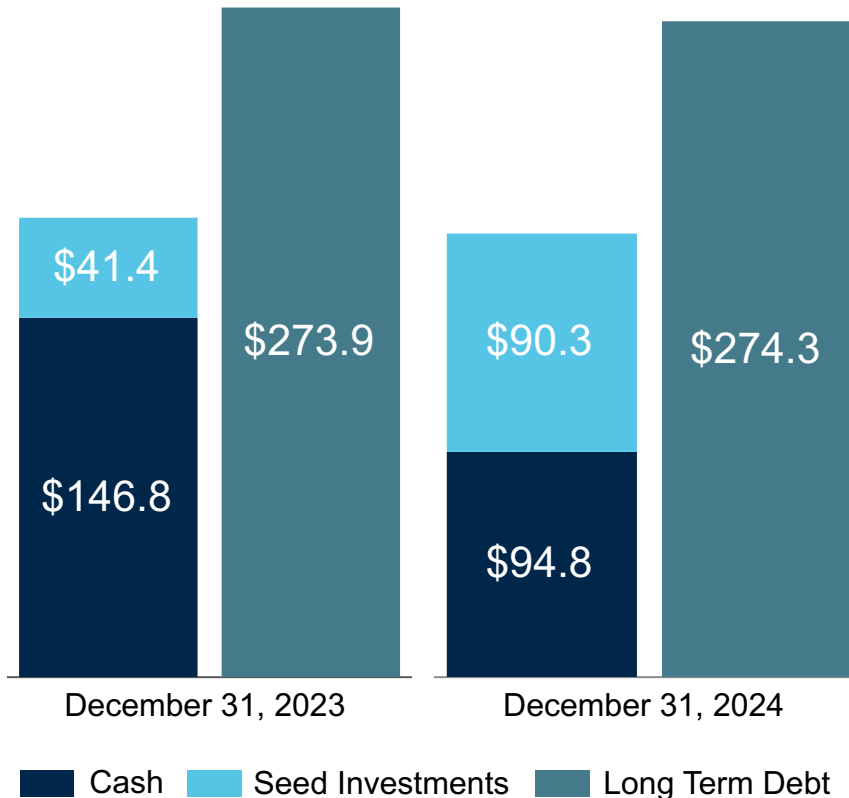
- Higher fee revenue opportunity
- Unmet demand for diversified offerings with low equity correlation
- Many competitors at capacity and limited selection of premier quant multi-strategy funds

Acadian Edge

- A systematic process is well-suited to applying alternative data, signals, and portfolio construction techniques
- Track record of achieving high returns with low market correlations

Low Leverage Ratios With High Liquidity Position

Balance Sheet Profile (\$ in millions)



December 31, 2024

- Cash and cash-equivalents totaled \$94.8 million
- \$90.3 million of seed investments
- The revolving credit facility was fully paid down as of December 31, 2024; facility supports first quarter seasonal needs
- December 31, 2024 leverage ratio⁽¹⁾ of 1.5x; net leverage ratio⁽²⁾ of 1.0x

Dividend

- Board declared an interim dividend of \$0.01 per share to be paid on March 28, 2025 to shareholders of record as of the close of business on March 14, 2025

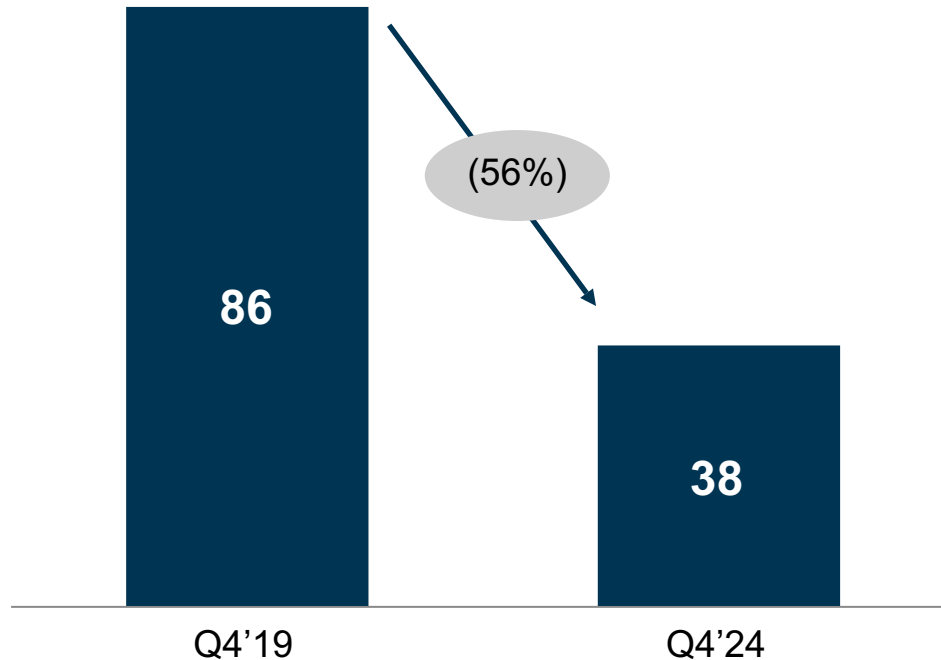
Please see Definitions and Additional Notes

(1) Represents the Company's total debt, divided by last twelve months Adjusted EBITDA.

(2) Represents the Company's total debt, net of total cash and cash equivalents, divided by last twelve months Adjusted EBITDA.

Track Record of Significant Value Creation Through Buybacks

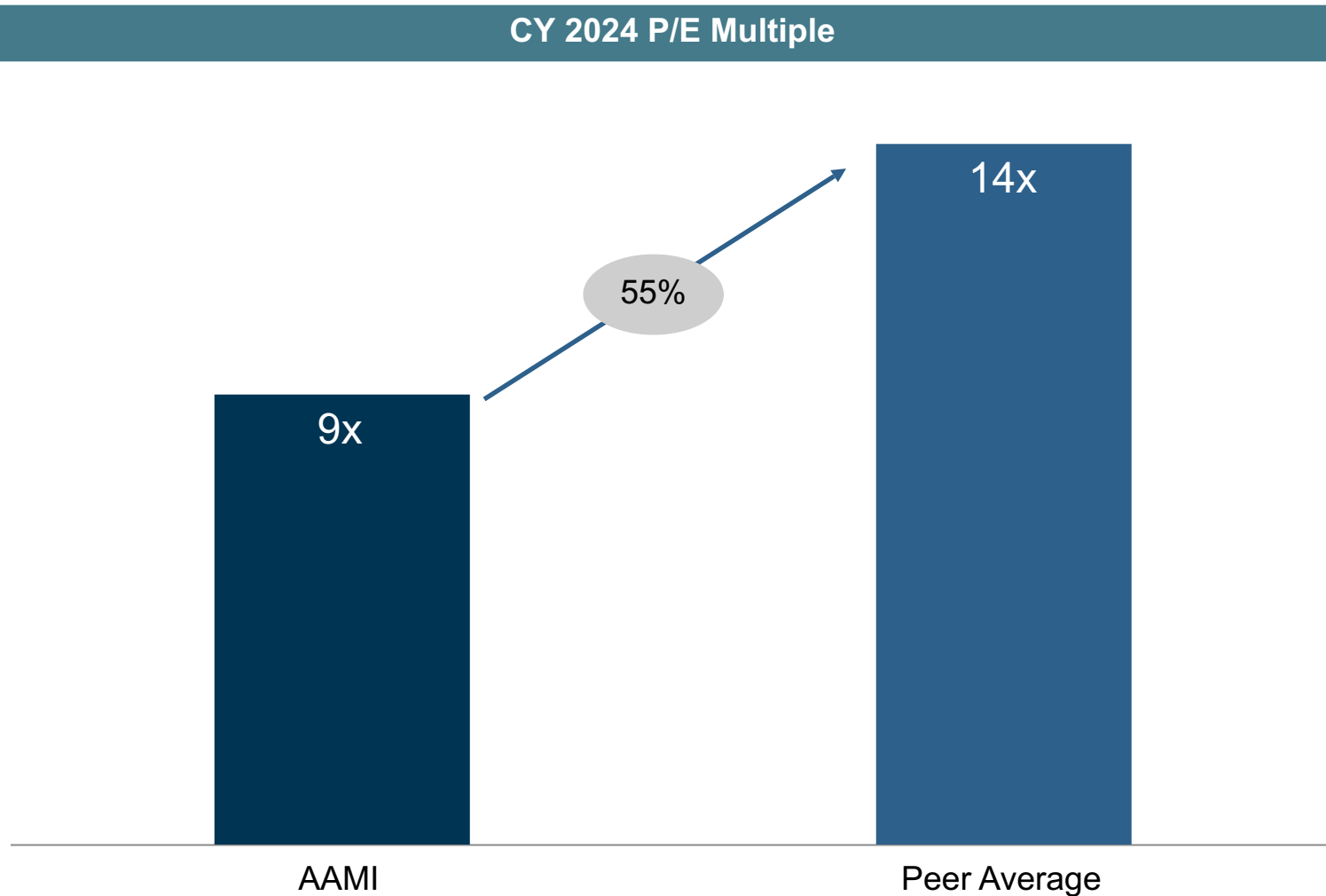
Quarterly Diluted Shares Outstanding (in millions)



Return of Capital

- \$1.4 billion in excess capital returned to stockholders over the last 5 years through share buybacks and dividends
- Share buybacks highly accretive to EPS growth and tax efficient return of capital
- Expect to continue generating strong free cash and deploying excess capital toward supporting organic growth and share buybacks

Acadian: Positioned for Multiple Expansion & Value Creation



AAMI calculation based on 2024 ENI EPS and share price as of February 4, 2025; Peer EPS based on consensus estimates or actual results if available. Peers include BEN, VRTS, FHI, TROW, AMG, AB, IVZ, JHG, APAM, VCTR, WT, BLK, CNS

Closing: Acadian Compelling Investment Opportunity

- Only pure-play publicly-traded systematic manager
- Nearly 40-year track record with competitive edge in systematic investing
- Strong performance track record:
 - > 90% of strategies by revenue outperforming over 3- / 5- / 10- year periods⁽¹⁾
- Outstanding 2024 performance:
 - Q4'24 ENI EPS up 69%; 2024 ENI EPS up 55%
- Positive 2024 NCCF of \$1.8B
- Drive growth through targeted distribution initiatives
- Accelerate growth through new product offerings:
 - Enhanced Equity and Equity Extensions strategies
 - Systematic Credit and Equity Alternative capabilities
- Trading at modest PE multiple of 9x compared to peer average of 14x

⁽¹⁾ Data as of December 31, 2024

U.S. GAAP Statement of Operations

(\$ in millions, unless otherwise noted)	Q4'23	Q4'24	Increase (Decrease)	FY 2023	FY 2024
Management fees	\$ 94.5	\$ 111.3	17.8 %	\$ 373.2	\$ 431.1
Performance fees	36.5	55.4	51.8 %	50.4	71.4
Consolidated Funds' revenue	0.2	1.1	n/m	3.0	3.1
Total revenue	131.2	167.8	27.9 %	426.6	505.6
Compensation and benefits	67.3	75.6	12.3 %	217.9	265.5
General and administrative	23.6	22.3	(5.5)%	82.6	85.2
Depreciation and amortization	4.6	4.4	(4.3)%	17.3	18.5
Consolidated Funds' expense	0.1	0.5	n/m	2.8	0.9
Total operating expenses	95.6	102.8	7.5 %	320.6	370.1
Operating income	35.6	65.0	82.6 %	106.0	135.5
Investment income (loss)	(0.3)	(0.3)	n/m	(0.1)	2.2
Interest income	1.8	0.7	(61.1)%	6.1	3.5
Interest expense	(4.5)	(4.4)	(2.2)%	(19.6)	(19.4)
Net consolidated Funds' investment gains (losses)	2.3	(2.6)	n/m	4.1	3.9
Income before income taxes	34.9	58.4	67.3 %	96.5	125.7
Income tax expense	11.1	17.8	60.4 %	29.4	38.9
Net income	23.8	40.6	70.6 %	67.1	86.8
Net income (loss) attributable to non-controlling interests	1.0	(1.9)	n/m	1.3	1.8
Net income attributable to controlling interests	\$ 22.8	\$ 42.5	86.4 %	\$ 65.8	\$ 85.0
Earnings per share, basic, \$	\$ 0.55	\$ 1.14	107.3 %	\$ 1.59	\$ 2.25
Earnings per share, diluted, \$	\$ 0.54	\$ 1.13	109.3 %	\$ 1.55	\$ 2.22
Average basic shares outstanding (in millions)	41.5	37.4		41.5	37.8
Average diluted shares outstanding (in millions)	42.2	37.6		42.5	38.3
U.S. GAAP operating margin	27 %	39 %	1160 bps	25 %	27 %
Pre-tax income attributable to controlling interests	\$ 33.9	\$ 60.3	77.9 %	\$ 95.2	\$ 123.9
Net income attributable to controlling interests	\$ 22.8	\$ 42.5	86.4 %	\$ 65.8	\$ 85.0

Q4'24 vs. Q4'23

- Total revenue increased 27.9% from Q4'23 driven by higher management fees reflecting an increase in average AUM in Q4'24 compared to Q4'23 and higher performance fees
- Operating expenses increased 7.5% from Q4'23 driven by an increase in compensation and benefits expense primarily due to higher sales based compensation, higher variable compensation, and an increase in the value of the Acadian LLC equity plan liability in Q4'24 compared to prior year
- Income tax expense increased 60.4% from Q4'23 in line with the increase in pre-tax earnings
- U.S. GAAP net income attributable to controlling interests increased 86.4% from Q4'23 primarily due to the increase in revenue
- Diluted earnings per share increased 109.3% from Q4'23 due to higher net income attributable to controlling interests in Q4'24, and the decrease in the average diluted shares outstanding, reflecting the positive impact of stock repurchases made during the year

Please see Definitions and Additional Notes

Supplemental Information

Key Performance Metrics

Key Performance Metrics ⁽¹⁾					
(\$ in millions, unless otherwise noted)	Q4'23		Q4'24		Increase (Decrease)
U.S. GAAP Basis					
Revenue	\$	131.2	\$	167.8	27.9 %
Pre-tax income attributable to controlling interests		33.9		60.3	77.9 %
Net income attributable to controlling interests		22.8		42.5	86.4 %
Diluted shares outstanding (in millions)		42.2		37.6	
Diluted earnings per share, \$	\$	0.54	\$	1.13	109.3 %
U.S. GAAP operating margin		27 %		39 %	1160 bps
Economic Net Income Basis (Non-GAAP measure used by management)					
ENI revenue	\$	131.0	\$	166.7	27.3 %
Pre-tax economic net income		44.4		65.8	48.2 %
Economic net income		32.6		49.0	50.3 %
ENI diluted earnings per share, \$	\$	0.77	\$	1.30	68.8 %
Adjusted EBITDA		51.5		72.8	41.4 %
ENI operating margin		36 %		42 %	580 bps
Segment Information					
Quant & Solutions Segment ENI	\$	50.6	\$	72.9	44.1 %
Other Operational Information					
Assets under management at period end (\$ in billions)	\$	103.7	\$	117.3	13.1 %
Net flows (\$ in billions)		(2.0)		0.9	n/m

Please see Definitions and Additional Notes

(1) Please see Reconciliations and Disclosures

ENI Revenue

Commentary

- ENI revenue includes management fees and performance fees
- Q4'24 ENI revenue of \$166.7 million increased from Q4'23 by 27%; primarily due to higher performance fees and higher management fees driven by higher average AUM
- Management fees increased 18% from Q4'23 reflecting a 20% increase in average AUM driven by market appreciation

ENI Revenue

(\$ in millions)	Q4'23	Q4'24	Increase (Decrease)
Management fees	\$ 94.5	\$ 111.3	18%
Performance fees	36.5	55.4	52%
ENI revenue	\$ 131.0	\$ 166.7	27%

Please see Definitions and Additional Notes

ENI Operating Expenses

Commentary

- ENI operating expenses reflect the Company's operating expenses (excluding variable compensation)
- ENI operating expenses increased to \$57.0 million in Q4'24 compared to \$52.7 million in Q4'23
- Q4'24 Operating Expense Ratio⁽¹⁾ fell to 51.2% for the period from 55.8% in Q4'23 reflecting the impact of improved operating leverage
- 2025 full-year Operating Expense Ratio expected to be approximately 47%-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

(\$ in millions)

	Q4'23		Q4'24		Increase (Decrease)
	\$M	% of MFs ⁽²⁾	\$M	% of MFs ⁽²⁾	
Fixed compensation and benefits	\$ 22.9	24.2 %	\$ 25.5	22.9 %	11%
G&A expenses (excl. sales-based compensation)	22.3	23.6 %	21.9	19.7 %	(2)%
Depreciation and amortization	4.6	4.9 %	4.4	4.0 %	(4)%
Core operating expense subtotal	\$ 49.8	52.7 %	\$ 51.8	46.5 %	4%
Sales-based compensation	2.9	3.1 %	5.2	4.7 %	79%
Total ENI operating expenses	\$ 52.7	55.8 %	\$ 57.0	51.2 %	8%
Note: ENI management fees	\$ 94.5		\$ 111.3		18%

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 is primarily comprised of a contractual percentage of ENI earnings before variable compensation and a contractual split of performance fees, which is awarded to employees and recognized over a contractual vesting period
- Variable compensation also includes non-cash compensation in the form of Acadian LLC equity provided through recycling and AAMI equity
- Q4'24 Variable Compensation Ratio decreased to 35.7% from 39.0% in Q4'23; ratio decreased largely driven by higher growth in performance fee revenue
- 2025 full-year Variable Compensation Ratio expected to be 44%-48%

ENI Variable Compensation

(\$ in millions)	Q4'23	Q4'24	Increase (Decrease)
Cash variable compensation	\$ 28.7	\$ 37.5	31%
Add: Non-cash equity-based award amortization	1.8	1.7	(6)%
Variable compensation	30.5	39.2	29%
Earnings before variable compensation	\$ 78.3	\$ 109.7	40%
Variable Compensation Ratio (VC as % of earnings before variable comp.)	39.0 %	35.7 %	(322) bps

Please see Definitions and Additional Notes

Acadian LLC Key Employee Distributions

Commentary

- Represents key employees' share of profit from Acadian LLC's earnings
- 2025 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

Acadian LLC Key Employee Distributions

(\$ in millions)	Q4'23	Q4'24	Increase (Decrease)
A Earnings after variable compensation (ENI operating earnings)	\$ 47.8	\$ 70.5	47%
B Less: Acadian LLC key employee distributions	(1.2)	(2.3)	n/m
Earnings after Acadian LLC key employee distributions	\$ 46.6	\$ 68.2	46%
Acadian LLC Key Employee Distribution Ratio (B / A)	2.5 %	3.3 %	75 bps

Please see Definitions and Additional Notes

Balance Sheet Management

(\$ in millions)			
	December 31, 2023		December 31, 2024
Assets			
Cash and cash equivalents	\$	146.8	\$ 94.8
Investment advisory fees receivable		143.4	164.7
Right of use assets		57.2	52.5
Investments		64.7	67.9
Other assets		164.1	164.0
Assets of consolidated Funds		35.2	159.3
Total assets	\$	611.4	\$ 703.2
Liabilities and shareholders' equity			
Accounts payable and accrued expenses	\$	140.4	\$ 157.5
Third party borrowings		273.9	274.3
Operating lease liabilities		72.4	67.3
Other liabilities		70.9	95.8
Liabilities of consolidated Funds		4.3	21.2
Total liabilities	\$	561.9	\$ 616.1
Shareholders' equity		40.2	20.0
Redeemable NCI of consolidated Funds		9.3	67.1
Total equity		49.5	87.1
Total liabilities and equity	\$	611.4	\$ 703.2
Weighted average quarterly diluted shares		42.2	37.6
Leverage ratio ⁽¹⁾		2.0 x	1.5 x
Net leverage ratio ⁽²⁾		0.9 x	1.0 x

Please see Definitions and Additional Notes

(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.

Assets Under Management Rollforward

(\$ in billions, unless otherwise noted)	Q4'23	Q4'24	FY 2023	FY 2024
Beginning balance	\$ 97.4	\$ 120.3	\$ 93.6	\$ 103.7
Gross sales	2.6	5.5	9.3	21.2
Gross outflows	(5.5)	(5.4)	(15.2)	(22.7)
Reinvested income and distributions	0.9	0.8	3.6	3.3
Net flows	(2.0)	0.9	(2.3)	1.8
Market appreciation (depreciation)	8.3	(3.9)	12.4	11.8
Ending balance	\$ 103.7	\$ 117.3	\$ 103.7	\$ 117.3
Average AUM	\$ 98.6	\$ 118.1	\$ 98.4	\$ 112.3
ENI management fee rate	38	38	38	38

Reconciliations and Disclosures

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

(\$ in millions)	Q4'23	Q4'24	FY 2023	FY 2024
U.S. GAAP net income attributable to controlling interests	\$ 22.8	\$ 42.5	\$ 65.8	\$ 85.0
<i>Adjustments to reflect the economic earnings of the Company:</i>				
1 Non-cash key employee-owned equity and profit interest revaluations ⁽²⁾	2.5	3.6	(0.1)	23.2
2 Amortization of acquired intangible assets ⁽²⁾	—	—	—	—
3 Capital transaction costs ⁽²⁾	0.1	0.1	0.3	0.3
4 Seed/Co-investment (gains) losses and financings ⁽²⁾	(0.7)	1.6	(1.5)	(2.8)
5 Tax benefit of goodwill and acquired intangible deductions	0.4	0.3	1.5	1.5
6 Discontinued operations attributable to controlling interests and restructuring ⁽²⁾⁽³⁾	8.6	0.2	9.5	1.6
Total adjustment to reflect earnings of the Company	\$ 10.9	\$ 5.8	\$ 9.7	\$ 23.8
Tax effect of above adjustments ⁽²⁾	(2.8)	(1.5)	(2.2)	(6.1)
7 ENI tax normalization	1.7	2.2	2.4	3.1
Economic net income	\$ 32.6	\$ 49.0	\$ 75.7	\$ 105.8
ENI net interest expense to third parties	2.2	2.4	11.8	11.9
Depreciation and amortization ⁽⁴⁾	4.9	4.6	18.6	19.0
Tax on Economic Net Income	11.8	16.8	27.7	40.4
Adjusted EBITDA	\$ 51.5	\$ 72.8	\$ 133.8	\$ 177.1

ENI Adjustments

- 1 Exclude non-cash expenses representing changes in the value of Acadian LLC equity and profit interests held by Acadian LLC 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 Annual Report on Form 10-K.

(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 December 31, 2023 includes costs associated with the transfer of an insurance policy from our former Parent of \$0.4 million, severance-related costs at Acadian LLC of \$7.3 million, and legal-related restructuring costs at the Hold Co of \$0.9 million. The three months ended December 31, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of \$0.4 million and severance-related items at Acadian LLC of \$(0.2) million. The twelve months ended December 31, 2023 includes costs associated with the transfer of an insurance policy from our former Parent of \$1.3 million, severance-related costs at Acadian LLC of \$7.3 million, legal-related restructuring costs at the Hold Co of \$0.9 million. The twelve months ended December 31, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of \$1.3 million, severance-related items at Acadian LLC of \$(1.0) million and costs associated with the wind-down of the 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

(\$)	Q4'23	Q4'24	FY 2023	FY 2024
U.S. GAAP net income per share	\$ 0.54	\$ 1.13	\$ 1.55	\$ 2.22
<i>Adjustments to reflect the economic earnings of the Company:</i>				
i. Non-cash key employee-owned equity and profit interest revaluations	0.06	0.10	—	0.61
ii. Amortization and impairment of goodwill and intangible assets	—	—	—	—
iii. Capital transaction costs	—	—	0.01	0.01
iv. Seed/Co-investment gains and financing	(0.02)	0.04	(0.04)	(0.07)
v. Tax benefit of goodwill and acquired intangibles deductions	0.01	0.01	0.04	0.04
vi. Discontinued operations and restructuring	0.20	—	0.21	0.03
vii. ENI tax normalization	0.04	0.06	0.06	0.08
Tax effect of above adjustments, as applicable	(0.06)	(0.04)	(0.05)	(0.16)
Economic net income per share	\$ 0.77	\$ 1.30	\$ 1.78	\$ 2.76

Reconciliation of U.S. GAAP Revenue to ENI Revenue

(\$ in millions)	Q4'23	Q4'24
U.S. GAAP revenue	\$ 131.2	\$ 167.8
Exclude revenue from consolidated Funds	(0.2)	(1.1)
ENI revenue	\$ 131.0	\$ 166.7

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 Annual Report on Form 10-K.

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

Reconciliation of U.S. GAAP Operating Expense to ENI Operating Expense			
(\$ in millions)		Q4'23	Q4'24
U.S. GAAP operating expense	\$	95.6	\$ 102.8
<i>Less: items excluded from ENI</i>			
Non-cash key employee-owned equity and profit interest revaluations		(2.5)	(3.6)
Restructuring costs ⁽²⁾		(8.6)	(0.2)
Funds' operating expense		(0.1)	(0.5)
<i>Less: items segregated out of U.S. GAAP operating expense</i>			
Variable compensation ⁽³⁾		(30.5)	(39.2)
Acadian key employee distributions		(1.2)	(2.3)
ENI operating expense	\$	52.7	\$ 57.0

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 Annual Report on Form 10-K.

(2) The three months ended December 31, 2023 includes costs associated with the transfer of an insurance policy from our former Parent of \$0.4 million, severance-related costs at Acadian LLC of \$7.3 million, and legal-related restructuring costs at the Hold Co of \$0.9 million. The three months ended December 31, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of \$0.4 million and severance-related items at Acadian LLC of \$(0.2) million.

(3) Represents ENI variable compensation. For the three months ended December 31, 2023 and December 31, 2024, the U.S. GAAP equivalent of variable compensation was \$37.8 million and \$39.0 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)	Q4'23		Q4'24	
U.S. GAAP pre-tax income	\$	34.9	\$	58.4
<i>Adjustments to reflect the economic earnings of the Company:</i>				
Non-cash key employee-owned equity and profit interest revaluations		2.5		3.6
Capital transaction costs		0.1		0.1
Seed/Co-investment (gains) losses and financings		(0.7)		1.6
Discontinued operations and restructuring costs ⁽²⁾		8.6		0.2
Net income attributable to non-controlling interests		(1.0)		1.9
Pre-tax ENI	\$	44.4	\$	65.8

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 Annual Report on Form 10-K.

(2) The three months ended December 31, 2023 includes costs associated with the transfer of an insurance policy from our former Parent of \$0.4 million, severance-related costs at Acadian LLC of \$7.3 million and legal-related restructuring costs at the Hold Co of \$0.9 million. The three months ended December 31, 2024 includes costs associated with the transfer of an insurance policy from our former Parent of \$0.4 million and severance-related items at Acadian LLC of \$(0.2) million.

Segment Reconciliation

(\$ in millions)	Q4'23	Q4'24
U.S. GAAP Consolidated Revenue	\$ 131.2	\$ 167.8
Exclude revenue from consolidated funds (a)	0.2	1.1
Quant & Solutions Segment ENI Revenue	131.0	166.7
Quant & Solutions Segment ENI Expenses		
Fixed compensation and benefits (b)	21.5	23.8
Variable compensation (c)	29.9	38.1
Affiliate key employee distributions (d)	1.2	2.3
Depreciation and amortization (e)	4.6	4.4
Other segment items (f)	23.2	25.2
Segment ENI	\$ 50.6	\$ 72.9
<i>Reconciliation of segment ENI to net income attributable to controlling interests:</i>		
Unallocated Corporate expenses (g)	(5.3)	(5.1)
Adjustments and reconciling items (h)	(7.2)	0.8
Non-cash compensation expenses for Acadian LLC key employee equity and profit interest revaluations (i)	(2.5)	(3.6)
Investment income (loss)	(0.3)	(0.3)
Interest income	1.8	0.7
Interest expense	(4.5)	(4.4)
Net consolidated funds' investment gains (losses)	2.3	(2.6)
Income before Income Taxes	\$ 34.9	\$ 58.4
Income tax expense	(11.1)	(17.8)
Consolidated Net Income	\$ 23.8	\$ 40.6
Net income attributable to non-controlling interests in consolidated Funds	(1.0)	1.9
Net income attributable to controlling interests	\$ 22.8	\$ 42.5

Segment Reconciliation (continued)

Notes to Segment Reconciliation

- (a) Adjusted to exclude consolidated Funds revenues which are included in U.S. GAAP revenue
- (b) Fixed compensation and benefits includes base salaries, payroll taxes and the cost of benefit programs provided, adjusted for severance relating to restructuring costs.
- (c) Variable compensation is contractually set and calculated individually for Acadian LLC bonuses, adjusted for non-cash Acadian LLC key employee equity revaluations and severance relating to restructuring costs.
- (d) Acadian LLC key employee distributions includes the share of Acadian LLC profits after variable compensation that is attributable to the Acadian LLC key employee equity and profits interests holders, according to their ownership interests.
- (e) Depreciation and amortization includes US GAAP depreciation and amortization, adjusted for costs associated with the wind-down of the MACS business in the standalone format.
- (f) Other segment items includes segment systems, portfolio administration costs and other general & administrative expenses.
- (g) Unallocated corporate expenses include compensation and benefits of \$2.8 million and general and administrative expenses of \$2.3 million related to Hold Co which are included in U.S. GAAP net income attributable to controlling interests for Q4'24. Unallocated corporate expenses include compensation and benefits of \$2.0 million and general and administrative expenses of \$3.3 million related to Hold Co which are included in U.S. GAAP net income attributable to controlling interests for Q4'23.
- (h) Adjustments and reconciling items includes consolidated Funds revenue and expense and restructuring costs.
- (i) Non-cash Acadian LLC key employee equity revaluations represent changes in the value of Acadian LLC equity and profit interests held by Acadian LLC key employees, which are included within the U.S. GAAP compensation and benefits expense

Definitions and Additional Notes

References to “Acadian Asset Management”, “Acadian”, “AAMI” or the “Company” refer to Acadian Asset Management Inc.; references to “Hold Co” refer to AAMI and its subsidiaries excluding Acadian Asset Management LLC (“Acadian LLC”). The Company currently operates its business through one asset management firm, Acadian LLC. 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 Acadian LLC 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 Acadian by consolidated Funds;
- 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 Acadian LLC key employee distributions, which represent Acadian LLC earnings shared with Acadian LLC 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 Acadian LLC equity and profit interests held by Acadian LLC key employees. These ownership interests may in certain circumstances be repurchased by the Hold Co 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 the Hold Co 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 Acadian LLC 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 Acadian 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. Figures calculated using gross of fee strategy composite returns.

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. Figures calculated using gross of fee strategy composite returns.

ENI operating earnings

ENI operating earnings represents ENI earnings before Acadian LLC 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 Acadian LLC key employee distributions, net interest expense or income tax expense.

ENI operating margin

The ENI operating margin, which is calculated before Acadian LLC 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 Acadian LLC. 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 because in its profit sharing economic model, scale benefits both Acadian LLC employees and AAMI shareholders.

ENI earnings before variable compensation

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

Definitions and Additional Notes

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 Acadian LLC's ENI earnings before variable compensation and may be paid in the form of cash or non-cash Acadian LLC equity or profit interests. Hold Co variable compensation includes cash and AAMI equity. Non-cash variable compensation awards typically vest over several years and are recognized as compensation expense over that service period.

ENI Acadian LLC key employee distribution ratio

The Acadian LLC key employee distribution ratio is calculated as Acadian LLC key employee distributions divided by ENI operating earnings. The ENI Acadian key employee distribution ratio is used by management and is useful to investors to evaluate Acadian LLC key employee distributions as measured against the Company's ENI operating earnings. Acadian LLC key employee distributions represent the share of Acadian LLC profits after variable compensation that is attributable to Acadian LLC key employee equity and profit interests holders, according to their ownership interests. For Acadian LLC profit interest distributions, the Hold Co 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 Acadian LLC.

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 Acadian LLC, 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.

Reinvested income and distributions

Net flows include reinvested income and distributions. Reinvested income and distributions represent investment yield not distributed as cash, and reinvested back to the portfolios.

eVestment

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"Not meaningful."