

# Manning & Napier Earnings Release Supplement

*For the period ended March 31, 2021*

[www.manning-napier.com](http://www.manning-napier.com)



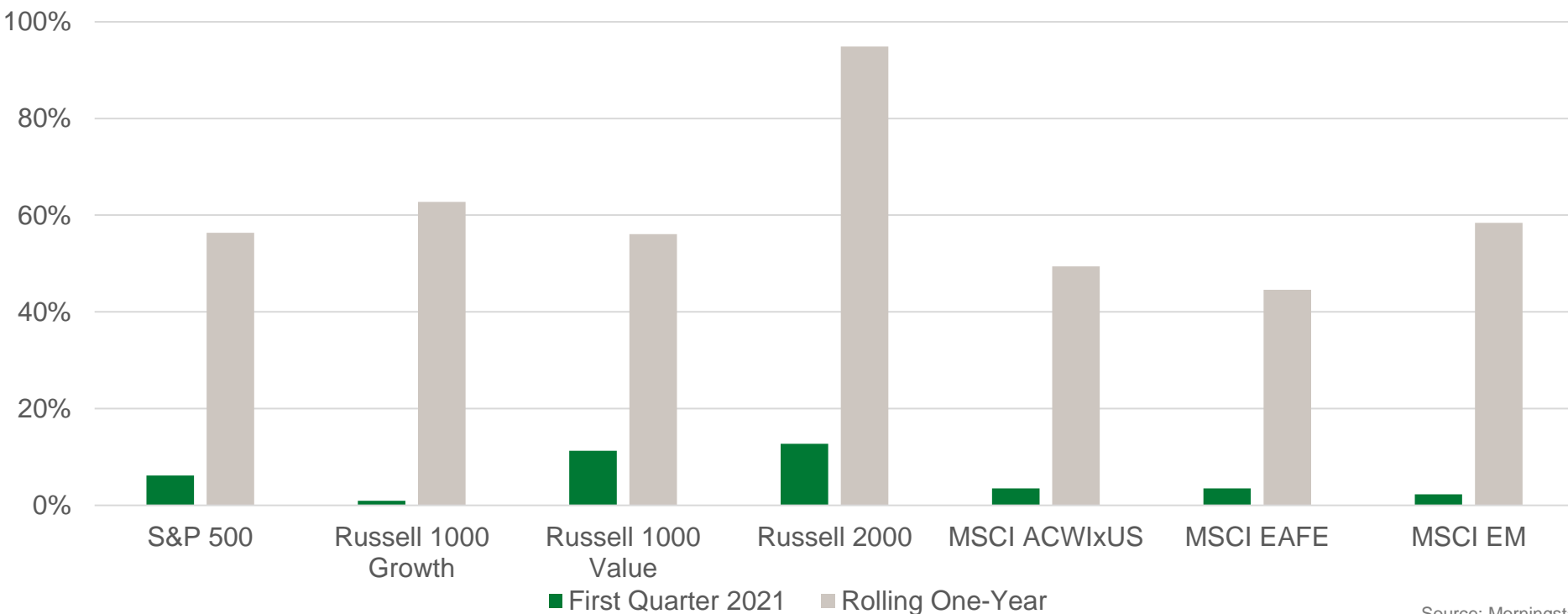
# Forward Looking Statements

*This presentation contains “forward-looking statements.” Such statements can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “estimates,” “will,” “should,” “intends,” “plans” or “anticipates” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. You are cautioned that any such forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements as a result of various factors. Prospective investors are cautioned not to place undue reliance on forward-looking statements. All written and oral forward-looking statements attributable to us or persons acting on our behalf are qualified in their entirety by those cautionary statements. Any forward-looking statements which we make in this presentation speak only as of the dates of such statements, and we undertake no obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained in this presentation to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.*

# Performance: Markets, Products & Strategies

# Equity Market Performance (as of 3/31/2021)

## An Exceptionally Strong Post-Pandemic Rally



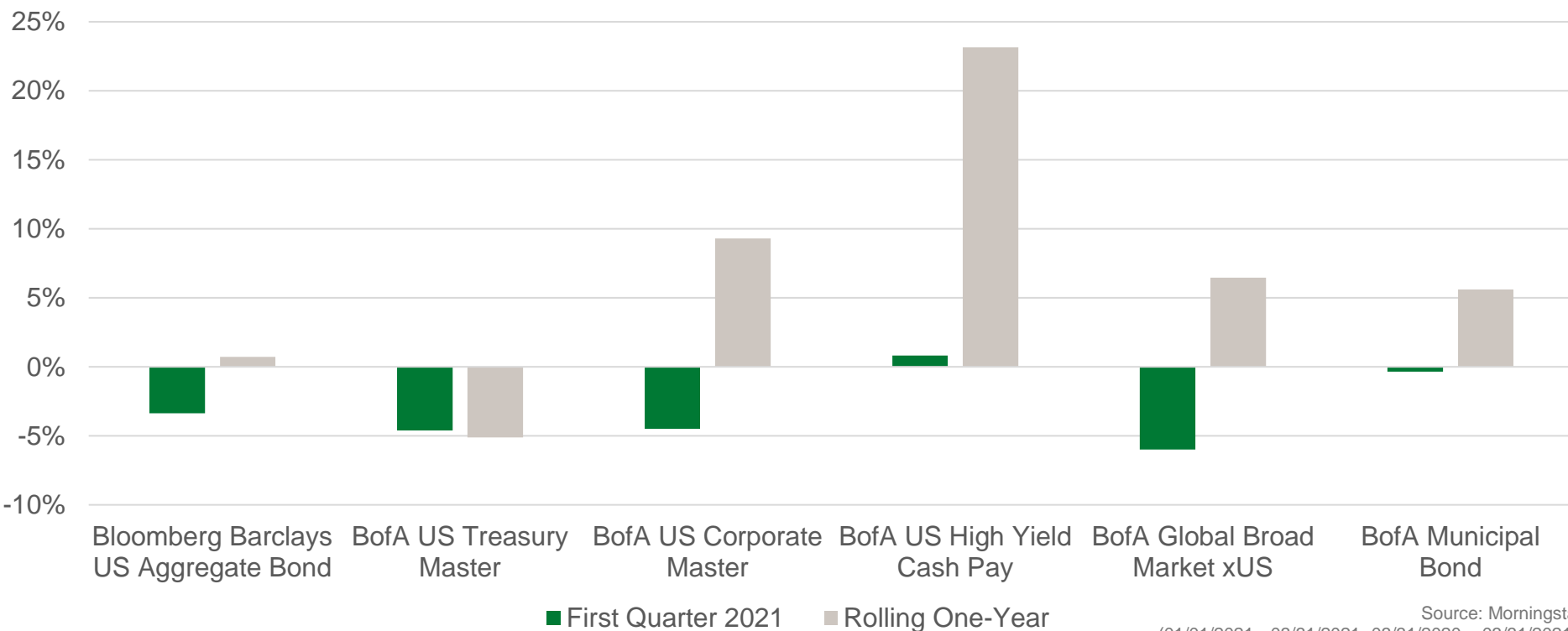
Source: Morningstar  
(01/01/2021 - 03/31/2021, 03/31/2020 - 03/31/2021).

### KEY TAKEAWAY

Equity performance was strong to start the year, adding further gains onto the robust, post-pandemic market recovery. With valuations stretched, investors should moderate their return expectations.

# Fixed Income Performance (as of 3/31/2021)

## Rates Jump on Economic Optimism



### KEY TAKEAWAY

Although rising interest rates significantly challenged fixed income performance for the first quarter, they remain at historically low levels, creating a difficult environment for bond investors broadly.

# Company Performance (as of 3/31/2021)

Multi-Asset Class - Traditional Strategies	AUM (\$M)	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Inception
<b>Conservative Growth (5% - 35% equity range)<sup>1</sup></b> <i>15% Russell 3000 / 5% MSCI ACWixUS / 80% BB Int Agg</i>	\$ 569.0	4/1/1992	0.11%	12.62%	7.04%	5.58%	4.51%	6.02%
Relative Performance			-0.18%	11.30%	6.45%	5.21%	4.74%	6.15%
			0.29%	1.32%	0.59%	0.37%	-0.23%	-0.13%
<b>Growth with Reduced Volatility (20% - 60% equity range)<sup>1</sup></b> <i>30% Russell 3000 / 10% MSCI ACWixUS / 30% BB Agg / 30% BB Int Agg</i>	\$ 2,827.3	1/1/1973	1.63%	23.29%	10.19%	8.56%	6.56%	8.82%
Relative Performance			0.72%	21.75%	8.78%	7.86%	6.72%	8.42%
			0.91%	1.54%	1.41%	0.70%	-0.16%	0.40%
<b>Long-Term Growth (30% - 80% equity range)<sup>1</sup></b> <i>40% Russell 3000 / 15% MSCI ACWixUS / 45% BB Agg</i>	\$ 5,946.9	1/1/1973	2.60%	29.87%	11.90%	10.46%	7.95%	9.65%
Relative Performance			1.49%	30.01%	10.28%	9.70%	8.01%	8.91%
			1.11%	-0.14%	1.62%	0.76%	-0.06%	0.74%
<b>Equity-Focused Blend (50% - 90% equity range)<sup>1</sup></b> <i>53% Russell 3000 / 17% MSCI ACWixUS / 30% BB Agg</i>	\$ 1,057.4	4/1/2000	3.61%	36.66%	13.52%	12.01%	8.96%	7.87%
Relative Performance			2.90%	39.37%	11.88%	11.57%	9.36%	6.30%
			0.71%	-2.71%	1.64%	0.44%	-0.40%	1.57%
<b>Equity-Oriented (70% - 100% equity range)<sup>1</sup></b> <i>65% Russell 3000 / 20% MSCI ACWixUS / 15% BB Agg</i>	\$ 1,438.3	1/1/1993	5.01%	50.73%	15.66%	14.70%	10.19%	10.60%
Relative Performance			4.29%	49.15%	13.31%	13.34%	10.57%	9.09%
			0.72%	1.58%	2.35%	1.36%	-0.38%	1.51%

Multi-Asset Class - Specialized Strategies	AUM (\$M)	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Inception
<b>Managed ETF - Long-Term Growth<sup>1</sup></b> <i>40% Russell 3000 / 15% MSCI ACWixUS / 45% BB Agg</i>	\$ 223.0	2/1/2010	1.92%	28.28%	10.41%	9.34%	7.11%	8.06%
Relative Performance			1.49%	30.01%	10.28%	9.70%	8.01%	8.69%
			0.43%	-1.73%	0.13%	-0.36%	-0.90%	-0.63%
<b>Strategic Income<sup>1</sup></b> <i>32% Russell 3000 / 8% MSCI World / 10% MSCI US REIT / 50% BB Agg</i>	\$ 262.9	5/1/2012	3.06%	20.44%	7.73%	7.28%	--	6.58%
Relative Performance			3.55%	24.22%	8.08%	6.98%	7.11%	7.32%
			-0.49%	-3.78%	-0.35%	0.30%	--	-0.74%

Fixed Income Strategies	AUM (\$M)	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Inception
<b>Aggregate Fixed Income<sup>1</sup></b> <i>Bloomberg Barclays US Aggregate (BB Agg) Index</i>	\$ 196.7	1/1/1984	-3.34%	2.17%	5.08%	3.31%	3.43%	6.98%
Relative Performance			-3.37%	0.71%	4.65%	3.10%	3.44%	6.89%
			0.03%	1.46%	0.43%	0.21%	-0.01%	0.09%
<b>Diversified Tax Exempt<sup>3</sup></b> <i>ICE BofAML 1-12 Year Municipal Bond Index</i>	\$ 76.7	2/14/1994	-0.64%	3.51%	3.87%	2.27%	2.43%	3.71%
Relative Performance			-0.29%	4.36%	3.90%	2.57%	3.07%	--
			-0.35%	-0.85%	-0.03%	-0.30%	-0.64%	--

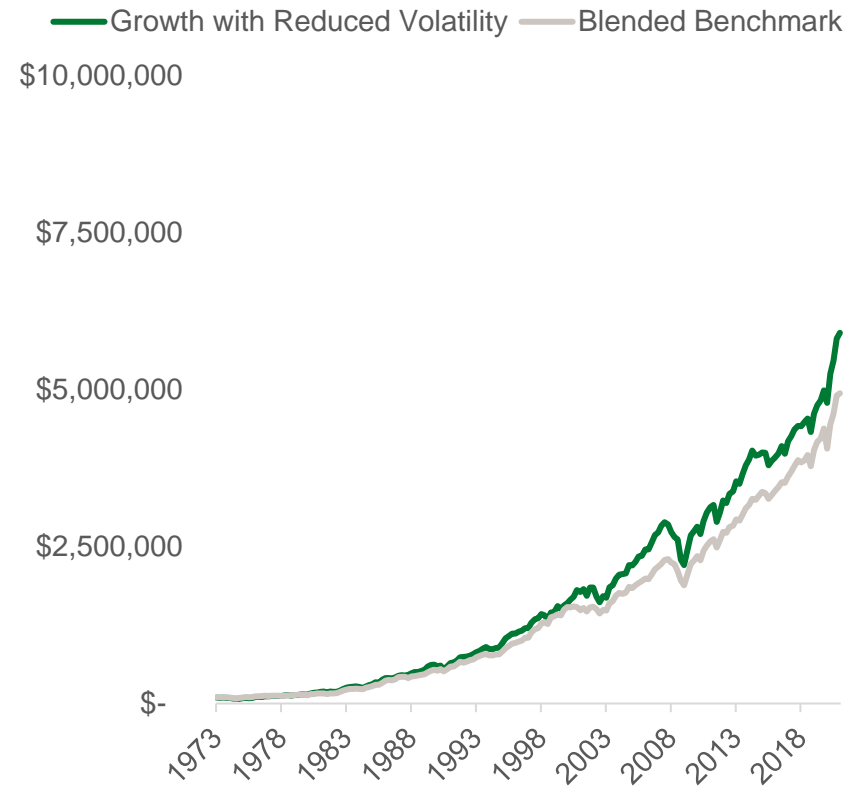
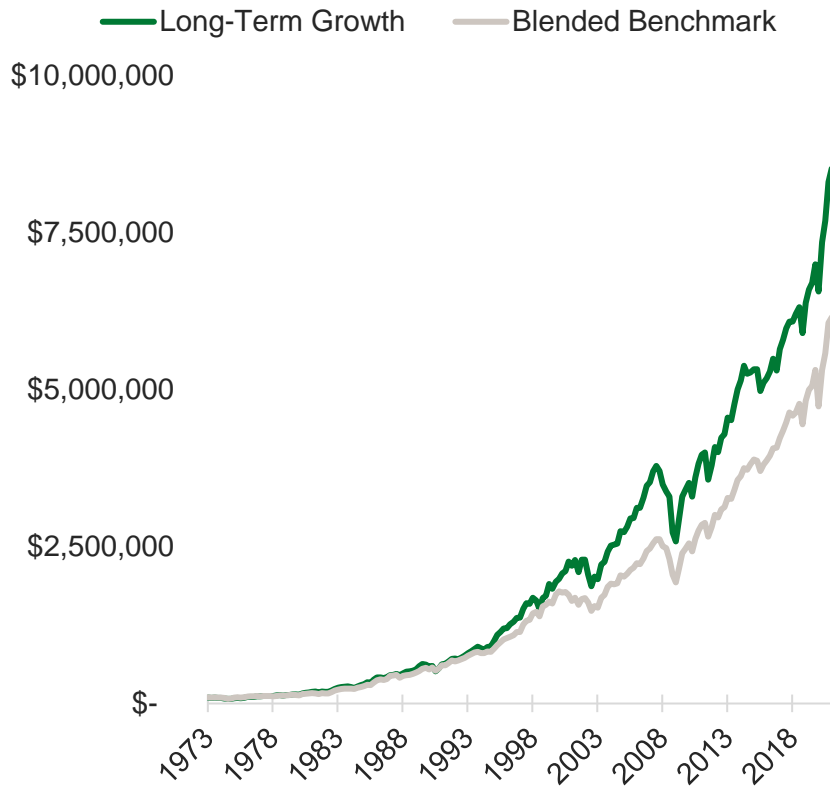
Investment strategy returns are presented net of fees. Benchmark returns do not reflect any fees or expenses. Performance greater than one year is annualized. Footnotes are as follows:

1) Composite performance; 2) Mutual Fund Share Class S performance; 3) Mutual Fund Share Class A performance; 4) Collective Investment Trust performance.

# Company Performance (Continued)

Fixed Income Strategies (continued)	AUM (\$M)	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Inception
<b>Unconstrained Bond Series<sup>2</sup></b>	\$ 64.6	4/21/2005	0.21%	12.80%	4.47%	3.72%	3.62%	4.57%
<i>FTSE 3-Month Treasury Bill Index</i>			0.02%	0.21%	1.45%	1.15%	0.60%	--
Relative Performance			0.19%	12.59%	3.02%	2.57%	3.02%	--
<b>High Yield Bond Series<sup>2</sup></b>	\$ 44.1	9/14/2009	2.72%	28.43%	7.35%	7.91%	6.39%	7.42%
<i>ICE BofAML High Yield Cash Pay BB-B Rated Index</i>			0.29%	21.10%	6.79%	7.47%	6.31%	--
Relative Performance			2.43%	7.33%	0.56%	0.44%	0.08%	--
Equity Strategies	AUM (\$M)	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Inception
<b>Core U.S. Equity<sup>1</sup></b>	\$ 284.8	7/1/2000	6.90%	59.09%	19.14%	18.10%	12.78%	9.34%
<i>Russell 3000 Index</i>			6.35%	62.53%	17.12%	16.64%	13.79%	7.40%
Relative Performance			0.55%	-3.44%	2.02%	1.46%	-1.01%	1.94%
<b>Core Non-U.S. Equity<sup>1</sup></b>	\$ 754.0	10/1/1996	4.81%	65.41%	11.77%	11.20%	5.65%	8.17%
<i>MSCI All-Country World ex-US (MSCI ACWIxUS) Index</i>			3.49%	49.41%	6.51%	9.76%	4.93%	5.56%
Relative Performance			1.32%	16.00%	5.26%	1.44%	0.72%	2.61%
<b>Core Equity - Unrestricted (90%- 100% equity range)<sup>1</sup></b>	\$ 669.3	1/1/1995	5.85%	57.77%	16.91%	16.26%	11.61%	11.84%
<i>80% Russell 3000 /20% MSCI ACWIxUS</i>			5.78%	59.89%	14.97%	15.28%	12.01%	9.81%
Relative Performance			0.07%	-2.12%	1.94%	0.98%	-0.40%	2.03%
<b>Global Equity CIT<sup>4</sup></b>	\$ 1,039.0	5/1/2006	6.05%	58.48%	16.41%	15.78%	10.19%	8.00%
<i>MSCI All-Country World Index</i>			4.57%	54.60%	12.07%	13.21%	9.14%	6.83%
Relative Performance			1.48%	3.88%	4.34%	2.57%	1.05%	1.17%
Specialized Strategies	AUM (\$M)	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Inception
<b>Disciplined Value - Unrestricted<sup>1</sup></b>	\$ 519.7	11/1/2003	9.92%	49.60%	10.14%	12.16%	10.95%	10.77%
<i>80% Russell 1000 Value /20% S&amp;P ADR</i>			10.41%	54.40%	9.94%	11.21%	9.64%	8.36%
Relative Performance			-0.49%	-4.80%	0.20%	0.95%	1.31%	2.41%
<b>Disciplined Value - U.S.<sup>1</sup></b>	\$ 1,435.4	1/1/2013	10.59%	50.94%	11.20%	13.31%	--	14.15%
<i>Russell 1000 Value Index</i>			11.26%	56.09%	10.96%	11.74%	10.99%	13.76%
Relative Performance			-0.67%	-5.15%	0.24%	1.57%	--	0.39%
<b>Real Estate Series<sup>2</sup></b>	\$ 70.4	11/10/2009	5.50%	28.61%	8.79%	5.88%	8.79%	10.91%
<i>MSCI US REIT Index</i>			8.50%	36.13%	8.18%	4.02%	7.22%	--
Relative Performance			-3.00%	-7.52%	0.61%	1.86%	1.57%	--
<b>Rainier International Small Cap<sup>2</sup></b>	\$ 1,088.0	3/28/2012	0.33%	76.64%	11.93%	14.19%	--	14.26%
<i>MSCI ACWIxUS Small Cap Index</i>			5.53%	69.82%	6.61%	10.40%	6.32%	8.12%
Relative Performance			-5.20%	6.82%	5.32%	3.79%	--	6.14%

# Growth of \$100,000 (as of 3/31/2021)



## KEY TAKEAWAY

For almost 50 years, our integrated, dynamically allocated, globally diversified multi-asset class solutions have delivered excellent investment results for clients over full market cycles



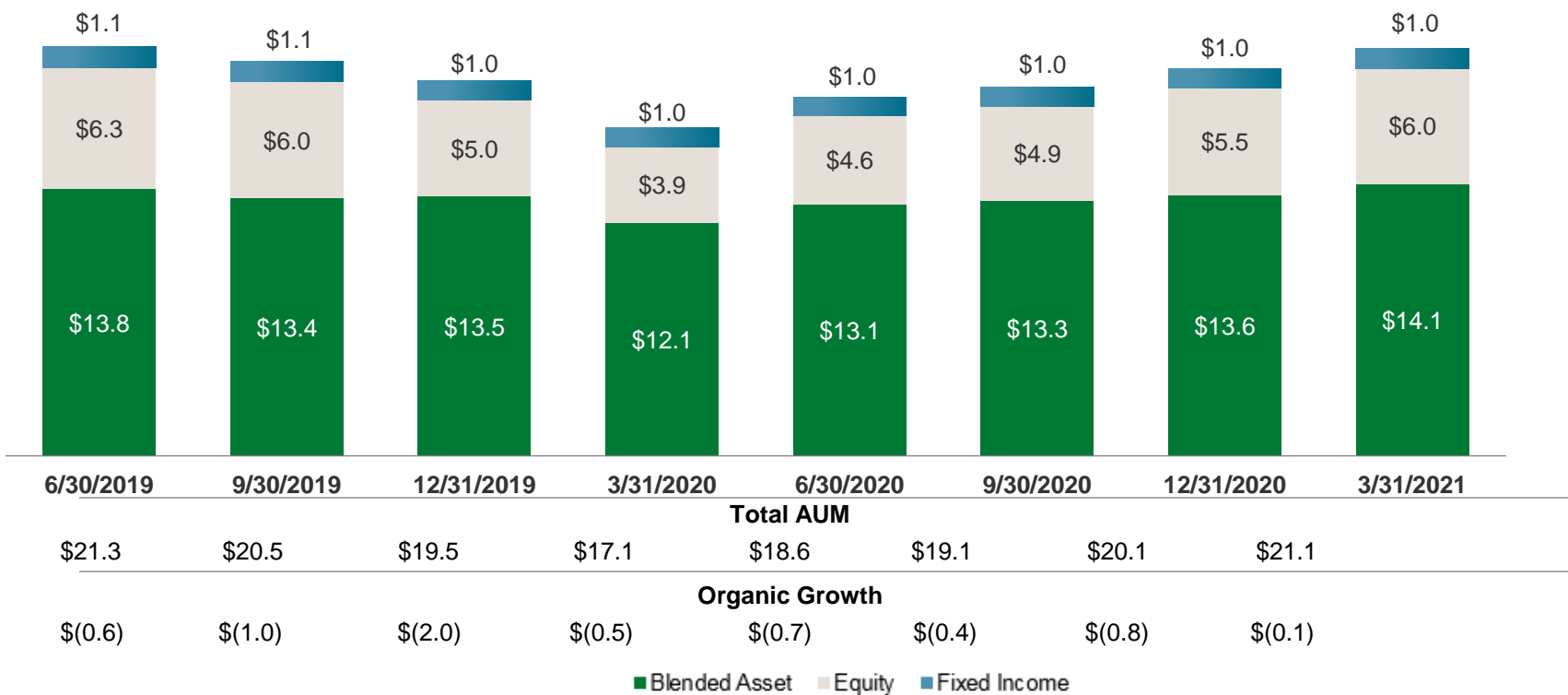
# Performance: Enterprise-Level

# Historical AUM by Portfolio

(\$ in billions)

Assets under management have stabilized in recent years due to reduced levels of net client outflows and strong investment performance.

For the quarter ended

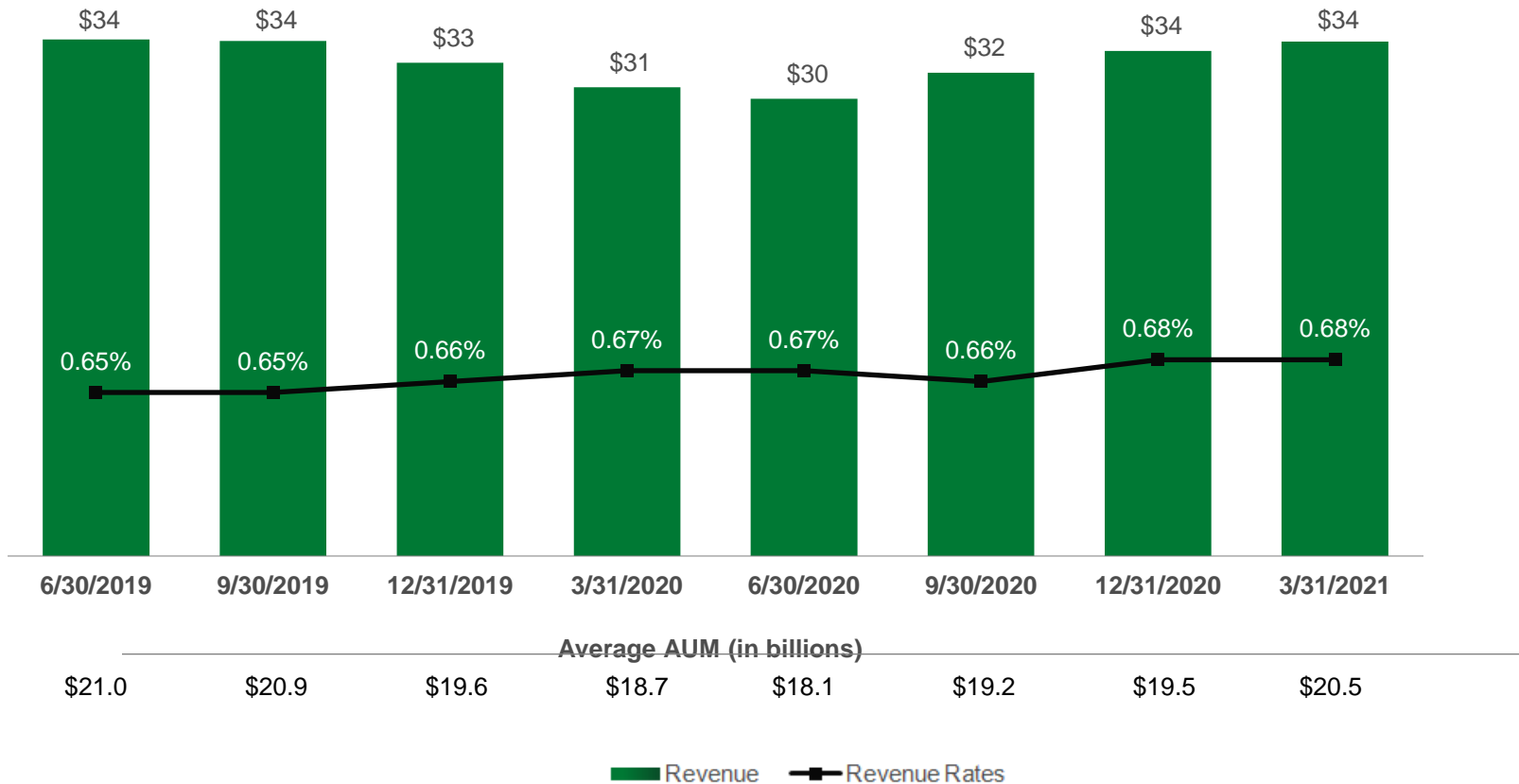


# Historical Revenue & Revenue Rates

(\$ in millions)

Revenues rates, calculated as annualized revenue as a percentage of average AUM, have remained steady in recent years following the restructuring of fees across our mutual fund complex in 2017-2019, with the changes in revenue during 2020-2021 corresponding with changes in average assets under management.

For the quarter ended



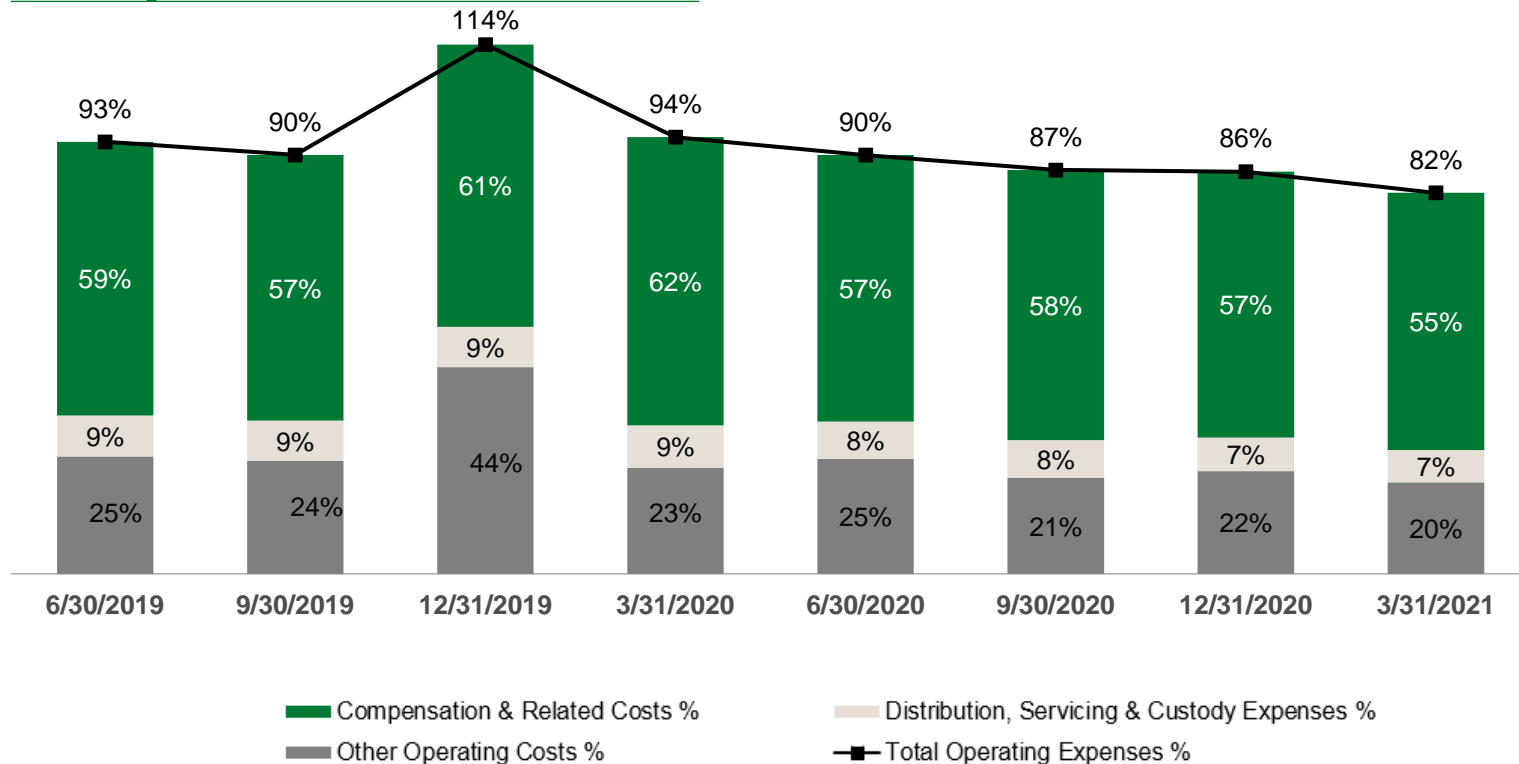
# Historical Operating Expenses

*(as a Percentage of Total Revenue)*

Compensation and related costs is our largest expense, representing approximately 55-60% of revenue for the last several quarters. Over time, it is our expectation that compensation and related costs will decline to 50% of revenue or less in order to drive higher operating margins.

Other operating fees, including costs associated with our technology infrastructure and digital transformation, have historically ranged between 20-25% of revenue.

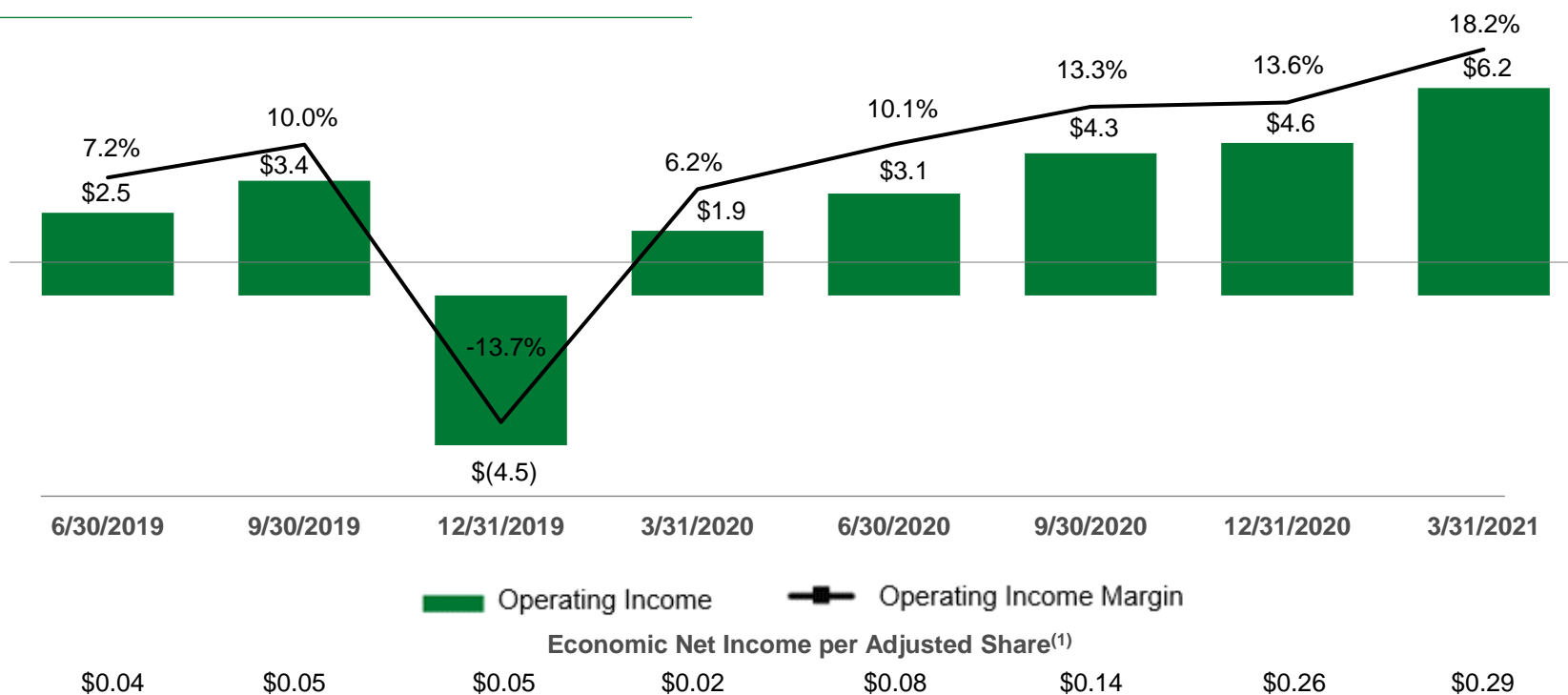
For the quarter ended



# Operating Income, Operating Income Margin & Economic Net Income per Adjusted Share <sup>(1)</sup>

While our operating margins remain less than the 20% target we are committed to achieving, we have seen steady improvement in operating income and margins from the 2% operating income margin we reported in fiscal 2019. This improvement, along with the accretive redemption transaction that took place during 2020, has also led to an increase in economic net income per adjusted share, a Non-GAAP measure.

For the quarter ended



(1) Assumes the weighted average exchangeable units of Manning & Napier Group, LLC, weighted average unvested restricted stock units, weighted average unvested restricted stock awards and weighted average vested stock options are converted into the Company's Class A common stock as of the respective reporting date, on a one-to-one basis.

# Non-GAAP measure: Economic Income<sup>(2)</sup>

- Economic Income presents a financial measure of the controlling and non-controlling interests of Manning & Napier Group and excludes from income before provision for income taxes strategic restructuring and transaction costs, net. We define these costs as items related to our ongoing strategic review focused on the evolution of our distribution strategy and technology initiatives. These items include:
  - severance-related costs;
  - certain consulting and other professional service fees;
  - lease and other contract termination costs; and
  - gain or loss on sale of a business.

	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
	(in thousands, except share data)		
Income (loss) before provision for income taxes (GAAP)	6,667	5,663	(2,391)
<b>Add back: Strategic restructuring and transaction costs, net <sup>(1)</sup></b>	<b>902</b>	<b>748</b>	<b>719</b>
Economic income (Non-GAAP)	7,569	6,411	(1,672)
<b>Adjusted income taxes (Non-GAAP)</b>	<b>869</b>	<b>669</b>	<b>(3,238)</b>
Economic net income (Non-GAAP)	6,700	5,742	1,566
Weighted average shares of Class A common stock outstanding - Basic	17,026,500	16,464,182	15,812,951
<b>Assumed vesting, conversion or exchange of:</b>			
Weighted average Manning & Napier Group, LLC units outstanding (noncontrolling interest)	2,021,781	2,021,781	62,034,200
Weighted average unvested restricted stock units and stock awards	3,764,744	3,473,725	2,745,827
Weighted average vested stock options	586,366	319,351	166,666
Weighted average adjusted shares (Non-GAAP)	23,399,391	22,279,039	80,759,644
Economic net income per adjusted share (Non-GAAP)	\$ 0.29	\$ 0.26	\$ 0.02

<sup>(1)</sup> Strategic restructuring and transaction costs, net, are included in the following financial statement line items of our Consolidated Statements of Operations:

Compensation and benefits	484	500	686
Other operating costs	418	248	33
	<b>\$ 902</b>	<b>\$ 748</b>	<b>\$ 719</b>

<sup>(2)</sup> Economic income, economic net income and economic net income per adjusted share are not presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Investors should consider the non-GAAP financial measures in addition to, and not as a substitute for financial measures prepared in accordance with GAAP. Reasons for including these non-GAAP measures in addition to a reconciliation to GAAP measures can be found in previously filed Form 10-Ks, 10-Qs and 8-Ks.

# Shares Outstanding

The following is a summary of our adjusted shares and Class A common stock outstanding on March 31, 2021

- **Adjusted Shares Outstanding** <sup>(1)</sup> - increased during the first quarter by approximately 1.0 million to 23.7 million on March 31, 2021. The increase is driven primarily by the grant of unvested restricted stock units to employees during the quarter that will vest over five years.
- **Class A common stock** – generally consistent with Class A common outstanding as of December 31, 2020. The change reflects the 412,405 shares purchased during the first quarter under the Company's program to repurchase up to \$10.0 million of Manning & Napier Inc. Class A common shares during 2021, partially offset by the exercise of previously issued stock options during the quarter.

<b>Total Adjusted Shares outstanding:</b>	<b>12/31/2020</b>	<b>Grants, net of forfeitures</b>	<b>Vesting and Stock Option Exercises</b>	<b>Repurchases of Class A common stock</b>	<b>3/31/2021</b>	<b>QTD Change</b>
Class A common stock outstanding	16,867,443	53,748	379,511	(412,405)	16,888,297	20,854
Unvested restricted stock awards	122,500	-	-	-	122,500	-
Unvested restricted stock unit awards	2,922,481	1,072,305	(13,691)	-	3,981,095	1,058,614
Vested stock options	761,666	-	(66,334)	-	695,332	(66,334)
Exchangeable units of Manning & Napier Group	2,021,781	-	-	-	2,021,781	-
<b>Adjusted Shares Outstanding</b>	<b>22,695,871</b>	<b>1,126,053</b>	<b>299,486</b>	<b>(412,405)</b>	<b>23,709,005</b>	<b>1,013,134</b>
Unvested stock options	1,488,334	-	(1,033,666)	-	454,668	(1,033,666)
<b>Total Potential Class A Common Stock</b>	<b>24,184,205</b>	<b>1,126,053</b>	<b>(734,180)</b>	<b>(412,405)</b>	<b>24,163,673</b>	<b>(20,532)</b>

(1) Adjusted Shares Outstanding assumes the exchangeable units of Manning & Napier Group, LLC, unvested restricted stock units, unvested restricted stock awards and vested stock options are converted into the Company's Class A common stock as of the respective reporting date, on a one-to-one basis.

# Progression of Strategic Initiatives



# Optimizing Infrastructure to Drive Long-Term Value

## Progression of Strategic Initiatives as of March 31, 2021

### **Investment Excellence**

- First quarter results were strong with the bulk of our AUM and most of our investment strategies generating positive absolute results and outperforming benchmarks
  - Our dynamic, flexible investment approach continues to add significant value
- 

### **Sales Productivity**

- We are continuing to build momentum, improving the trajectory of net flows
  - Our investment results are leading to notable national recognition
  - Last quarter, completed the launch of our new Wealth Management pricing model
- 

### **Operational Efficiency**

- Our digital transformation continues to move forward across multiple vectors, simultaneously
  - Work continues toward implementing our CRM and Advisor Portal for InvestCloud, as well as portfolio accounting and client reporting during 2021. We continue to expect the complete implementations of Workday and Charles River by the end of the year
- 

### **People & Culture**

- We're working toward establishing clearly defined goals for Diversity & Inclusion
- Our share buyback program kicked off last quarter, better aligning stakeholder interests

# Appendix

# Leadership

**Marc Mayer** // *Chairman of the Board and Chief Executive Officer*

*30 Years of Experience*



Marc Mayer is the Chairman and Chief Executive Officer (CEO) of Manning & Napier. As CEO, he is responsible for defining and leading strategic initiatives for the firm, as well as managing day-to-day operations. Prior to Manning & Napier, Marc was most recently Head of North American Distribution for Schroders in New York. Prior to Schroders, he was CEO at GMO in Boston. This followed a 20-year tenure at AllianceBernstein and its predecessor firm, Sanford Bernstein, where Marc, at various times, headed the global Institutional and Intermediary businesses, and served as Chief Investment Officer for Asset Allocation Strategies. At Sanford Bernstein, Marc was Director of Research and CEO of their sell-side research business and also a member of Bernstein's Board of Directors. Marc earned his BA in Philosophy from Yale University and his MBA from Columbia University.

**Paul Battaglia** // *Chief Financial Officer*

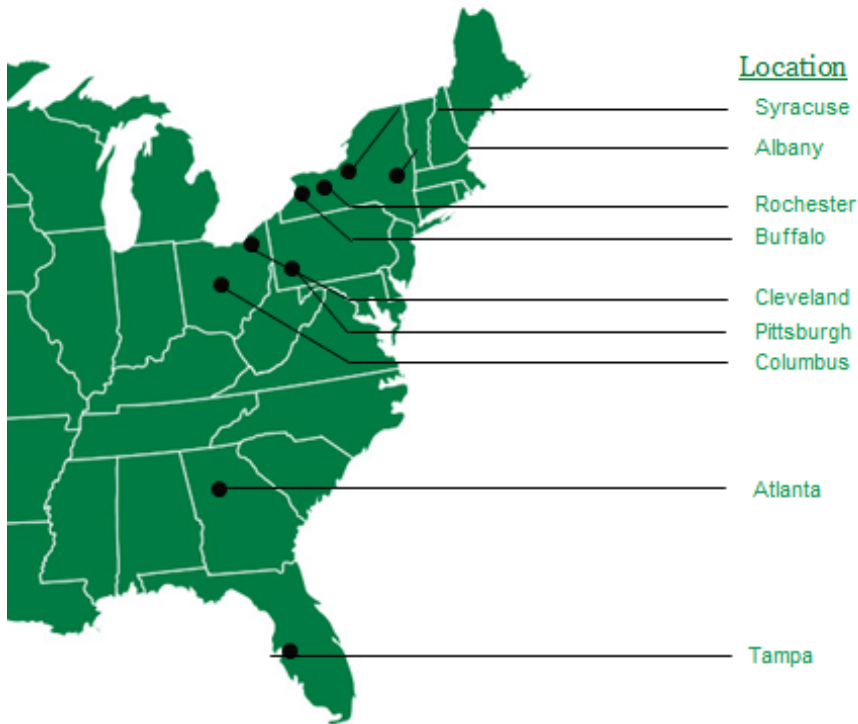
*17 Years of Experience*



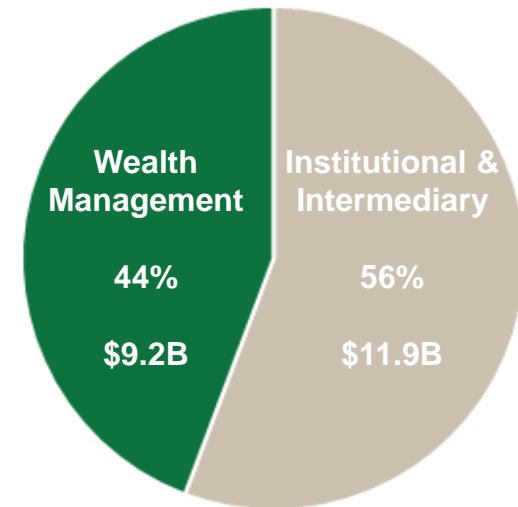
Paul Battaglia is the Chief Financial Officer at Manning & Napier with responsibility for directing the fiscal functions of the firm and management of the firm's Finance and Accounting Departments. Paul joined Manning & Napier in 2004 and during this time has overseen the firm's strategic planning, budget, financial reporting, and investor relations, including being a member of the team that led the company through its initial public offering in 2011. Prior to joining Manning & Napier, Paul served as an Audit Associate at PricewaterhouseCoopers. Paul also serves as Chairman of Manning & Napier Fund, Inc. Paul earned his BBA/MBA in Accounting and Finance from St. Bonaventure University. He is also a Certified Public Accountant (CPA).

# Regional Wealth Management Focus

Manning & Napier has a 50-year track record in the wealth management space, servicing individuals, small businesses, and endowments and foundations



**Total Channel Mix & AUM**  
as of 3/31/2021



## Financial Consulting

- Your Financial Consultant
- Your Relationship Managers
- Your Dedicated Service Team

## Planning & Advice

- Endowment and Foundation Specialists
- Pension Experts (QPAs)
- Retirement Plan Consultants
- Certified Financial Planners (CFPs)

## Trust & Custody

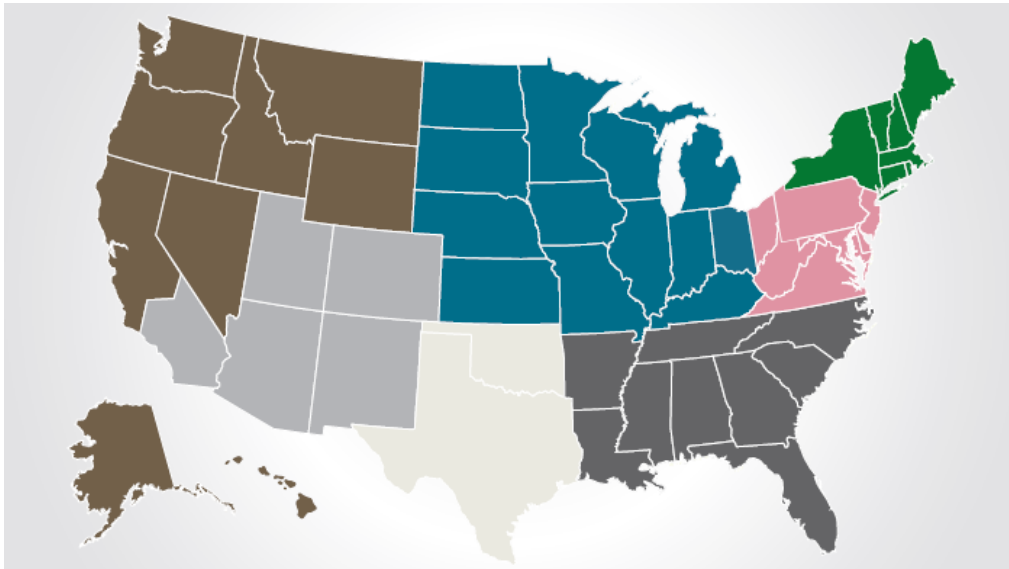
- Estate Planners (JDs)
- Trust Administration
- Tax Reporting
- Custody Services

## Investment Research

- Strategists
- Economists
- Chartered Financial Analysts (CFAs)
- Portfolio Teams

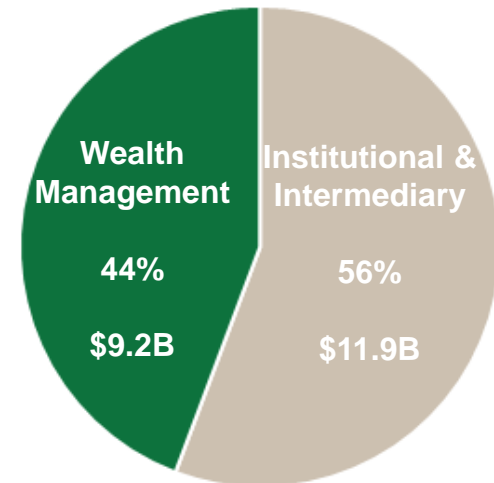
# National Asset Management Coverage

Our national reach in the asset management space creates a multi-faceted offering



## Total Channel Mix & AUM

as of 3/31/2021



Intermediary



Institutional



Taft-Hartley

