

Manning & Napier Earnings Release Supplement

For the period ended March 31, 2020

www.manning-napier.com

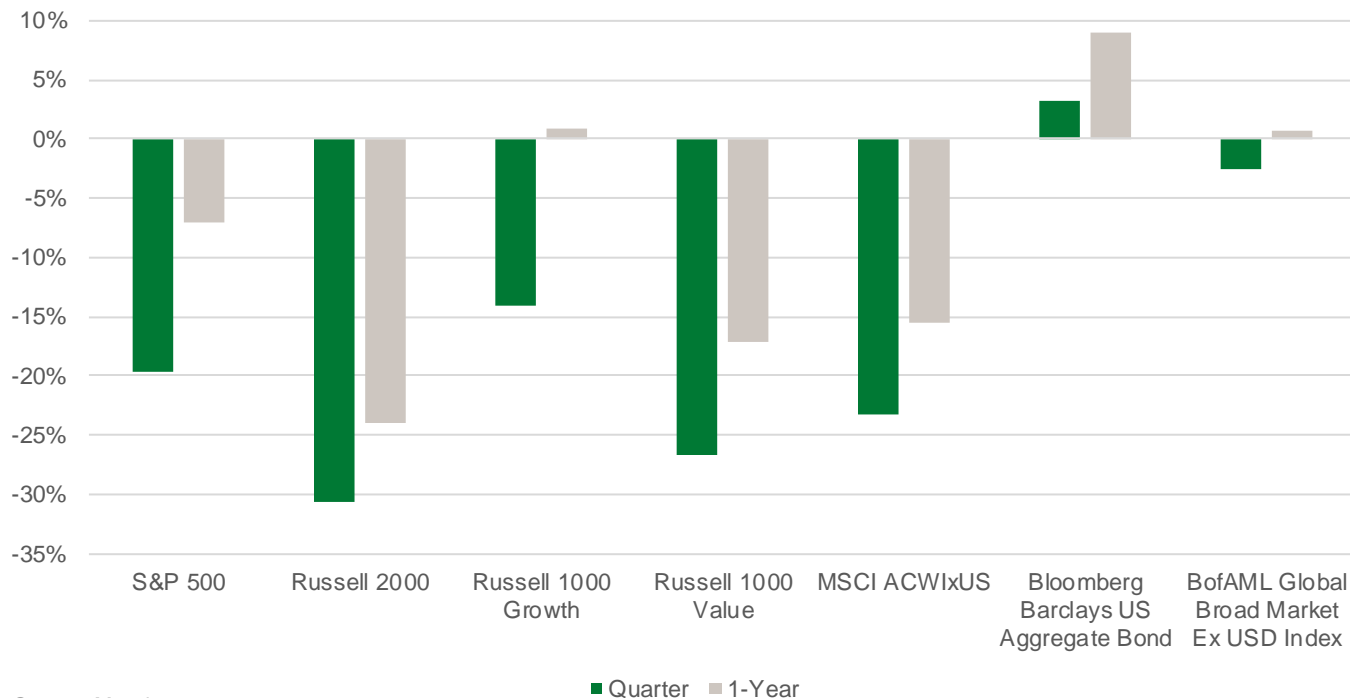


Forward Looking Statements

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

Financial Market Performance (as of 03/31/2020)



Source: Morningstar.

Key Takeaways:

- Equity performance was sharply lower for the first quarter as the Coronavirus pandemic swept across the globe, sparking a medical crisis and a widespread economic lockdown
- For the quarter and year, US growth outperformed US value, continuing a multi-year trend
- Interest rates fell sharply during the quarter, boosting fixed income performance
- Depending on exposure, gains from lower rates were offset by widening spreads

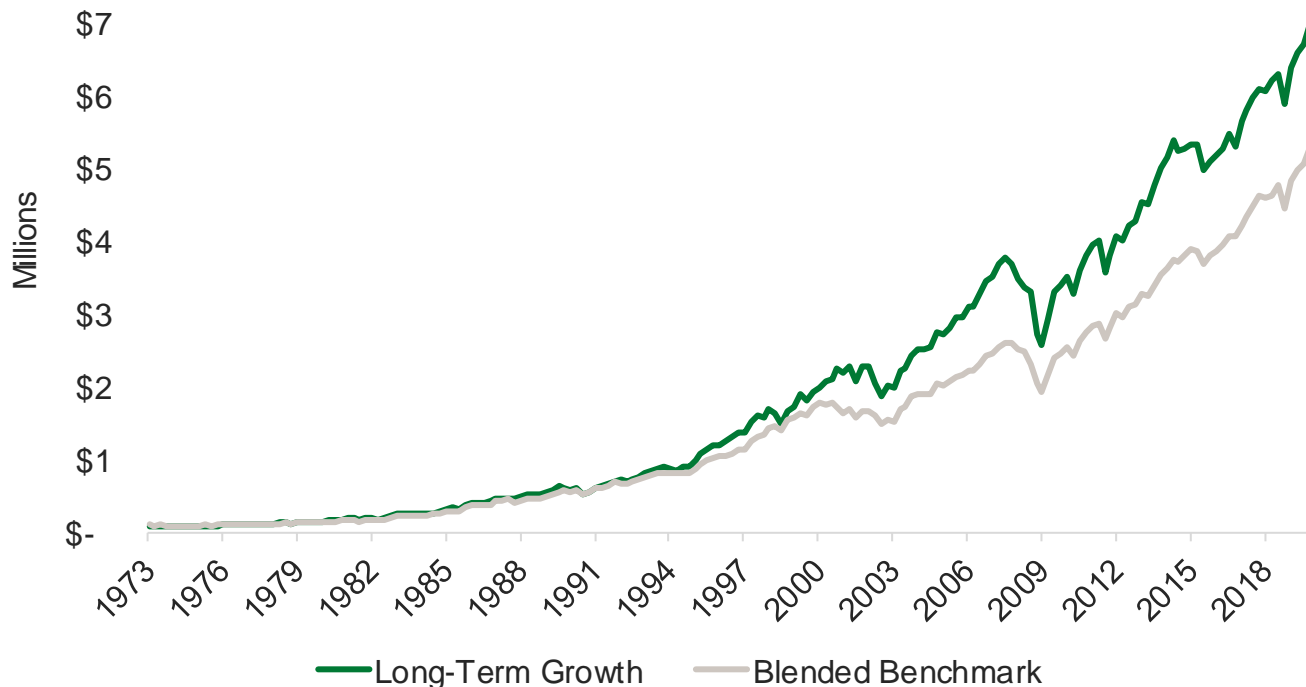
Company Performance as of 03/31/20

(1) Composite performance
(2) Mutual Fund Share Class S performance

Multi-Asset Class - Notable Strategies	AUM (\$M)	Q1	1 Year	3 Year	5 Year	10 Year
Long-Term Growth – 30%-80% Equity Exposure¹	\$ 5,038.6	-6.23%	2.76%	5.15%	4.27%	6.45%
Relative Performance (40% Russell 3000/15% MSCI ACWxUS/45% BB Agg)		4.70%	4.64%	1.33%	0.26%	0.07%
Strategic Income (Moderate)¹	\$ 236.1	-9.15%	-2.54%	2.90%	3.61%	--
Relative Performance (32% Russell 3000/8% MSCI World/10% MSCI US REIT/50% BB Agg)		3.31%	2.37%	1.54%	1.27%	--
FI360 ETF – Long-Term Growth¹	\$ 146.5	-8.93%	-1.04%	4.06%	3.86%	--
Relative Performance (40% Russell 3000/15% MSCI ACWxUS/45% BB Agg)		2.00%	0.84%	0.24%	-0.15%	--
Core Equity - Notable Strategies	AUM (\$M)	Q1	1 Year	3 Year	5 Year	10 Year
Core Non-U.S. Equity¹	\$ 521.6	-20.77%	-10.88%	-0.85%	-0.14%	1.62%
Relative Performance (ACWxUS Index)		2.59%	4.69%	1.11%	0.50%	-0.43%
Core Equity (Unrestricted) – 90%-100% Equity Exposure¹	\$ 453.1	-17.67%	-6.00%	5.79%	5.27%	8.19%
Relative Performance (80% Russell 3000/ 20% MSCI ACWxUS)		3.72%	4.43%	2.97%	0.77%	-0.34%
Core U.S. Equity¹	\$ 139.5	-17.09%	-3.93%	7.68%	6.98%	9.11%
Relative Performance (Russell 3000 Index)		3.81%	5.20%	3.68%	1.21%	-1.04%
Specialized - Notable Strategies	AUM (\$M)	Q1	1 Year	3 Year	5 Year	10 Year
Disciplined Value – U.S.¹	\$ 947.5	-24.72%	-15.39%	1.61%	4.82%	--
Relative Performance (Russell 1000 Value Index)		2.01%	1.78%	3.79%	2.92%	--
Disciplined Value – Unrestricted¹	\$ 379.5	-25.17%	-17.00%	0.72%	3.87%	7.74%
Relative Performance (80/20 Russell 1000V/S&PADR Cumulative)		1.32%	0.42%	3.10%	2.66%	1.32%
Rainier International Small Cap²	\$ 647.4	-19.87%	-10.07%	2.15%	2.56%	--
Relative Performance (MSCI ACWxUS Small Cap Index)		9.13%	11.11%	7.04%	3.37%	--
Real Estate Series²	\$ 73.9	-23.11%	-15.27%	-0.68%	1.53%	8.11%
Relative Performance (MSCI US REIT Index)		4.13%	6.69%	3.57%	3.23%	--
Fixed Income - Notable Strategies	AUM (\$M)	Q1	1 Year	3 Year	5 Year	10 Year
Aggregate Fixed Income¹	\$ 183.3	3.49%	8.96%	4.56%	3.35%	3.80%
Relative Performance (BB Agg Index)		0.34%	0.03%	-0.26%	-0.01%	-0.08%
Unconstrained Bond Series²	\$ 59.6	-4.47%	-1.39%	0.84%	1.10%	3.24%
Relative Performance (FTSE 3-Month Treasury Bill Index)		-4.86%	-3.43%	-0.90%	-0.02%	2.64%
High Yield Bond Series²	\$ 26.6	-15.00%	-8.91%	0.16%	2.21%	5.04%
Relative Performance (ICE BofAML High Yield Cash Pay BB-B Rated Index)		-3.19%	-3.47%	-1.15%	-0.71%	-0.60%

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

Growth of \$100,000 (as of 03/31/2020)



Key Takeaways:

- For almost 50 years, our highly flexible, long-term focused research processes have delivered excellent investment results for clients over full market cycles
- Our ability to deliver a substantial degree of outperformance in today's downturn clearly demonstrates that our investment processes are as powerful as they have ever been

Quarterly Strategic Update

Strategic Initiatives



Wealth Management
Buildout



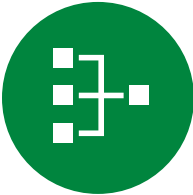
Intermediary &
Institutional Refocus



Digital
Transformation



Increased
Employee Ownership



Simplify
Operations



Investment
Excellence

Technology Transformation

We continue to push forward with an aggressive timeline on our digital transformation, and our early initiatives are already paying dividends as we move to a fully remote workforce



Wealth Management Buildout

Our distinguished investment history, multi-faceted advisory capabilities, and geographical concentration highlight our differentiation in a growing segment of investment management



Financial
Planning



Investment
Management



Cash-flow
Modeling



Estate & Tax
Planning



Asset
Protection



Trust & Custody
Services

Regional Wealth Management Focus

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



Individuals | Small Business | Endowments & Foundations

Fusing Broad and Targeted Marketing

Built over years of experience, our marketing team is creatively disseminating our messages broadly, as well as identifying, targeting, and qualifying new business opportunities

WEBINAR: FINANCIAL DO'S AND DON'TS

April 29, 2020 | Financial Planning



Uncertainty causes us to question everything – “Am I prepared for the future?”, “Will I still be able to achieve my goals?”, “Should I change anything?”. Having a steady hand to help you through a shaky market can provide the clarity you need to feel confident about your future again.

Watch as we answer your financial questions and share strategies to help you stay on track and reach your goals.

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Institutional and Intermediary Refocus

Our asset management businesses are executing a distribution playbook designed to best leverage our size and differentiated investment capabilities



Intermediary



Institutional



Taft-Hartley

Financial Update

Historical AUM by Portfolio

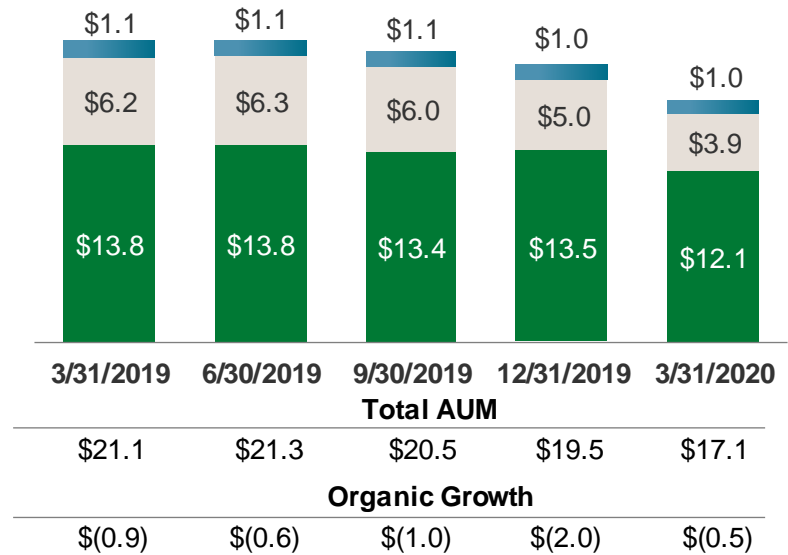
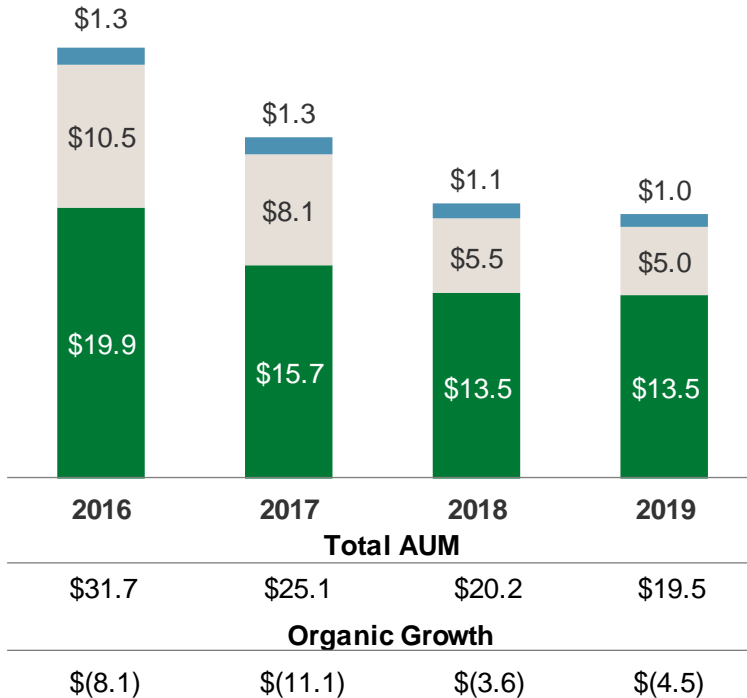
(\$ in billions)



In 2015 – 2017 we experienced a sharp decline in organic growth due to outflows which were concentrated in our larger institutional and intermediary relationships. Our Blended Asset Class portfolios, and specifically our relationships with High Net Worth, Mid-Market Institutional Clients, including Retirement Plan Sponsors, remains a valuable franchise with high client retention and new business opportunities.

For the year ended December 31,

For the quarter ended



■ Blended Asset ■ Equity ■ Fixed Income

Historical Revenue & Revenue Rates

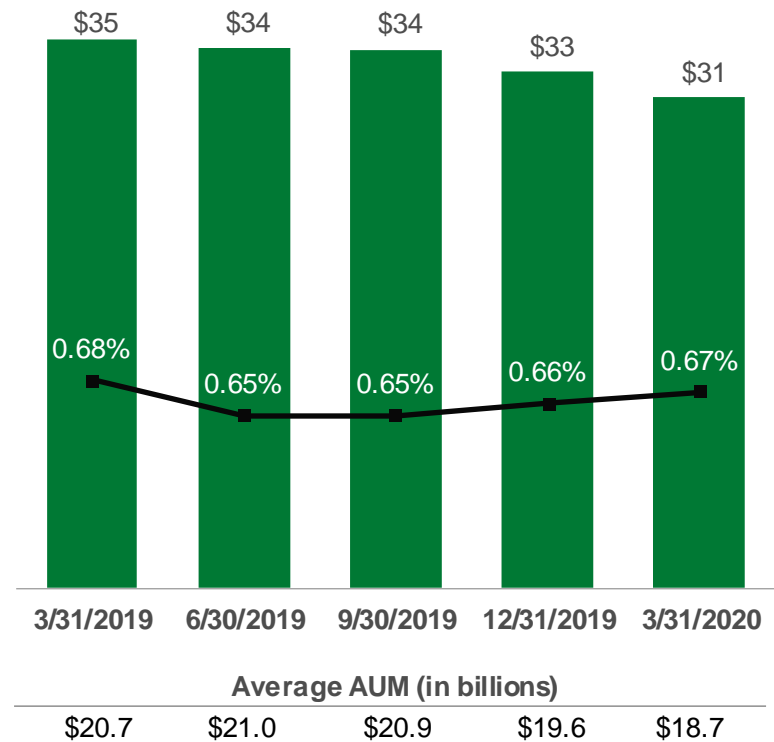
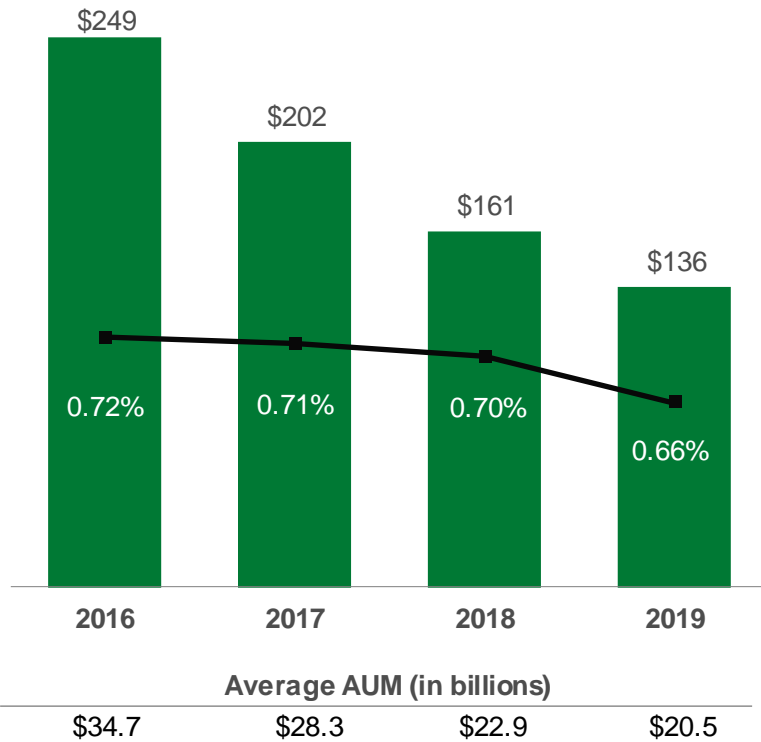
(\$ in millions)



The decrease in our revenue rates has been the result of changes in our overall business mix since 2015, and more recently the result of the restructuring of fees across our mutual fund complex to become more competitive with our peer group.

For the year ended December 31,

For the quarter ended



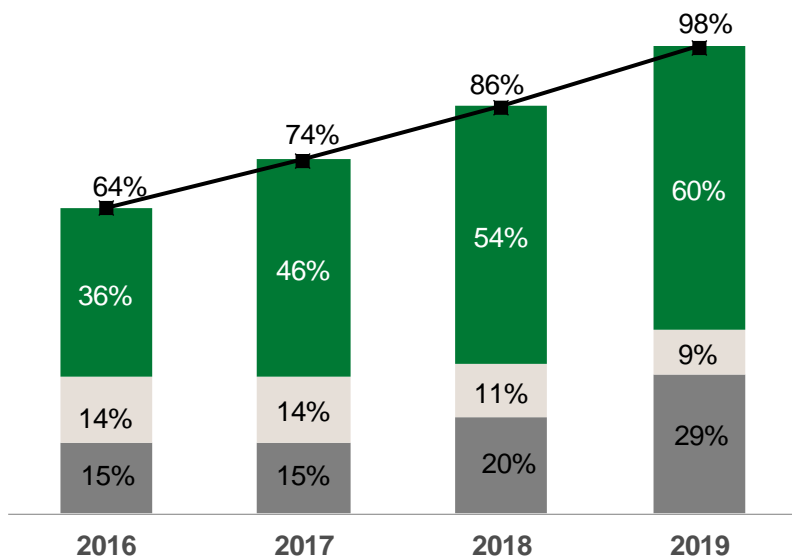
■ Revenue — Revenue Rates

Historical Operating Expenses

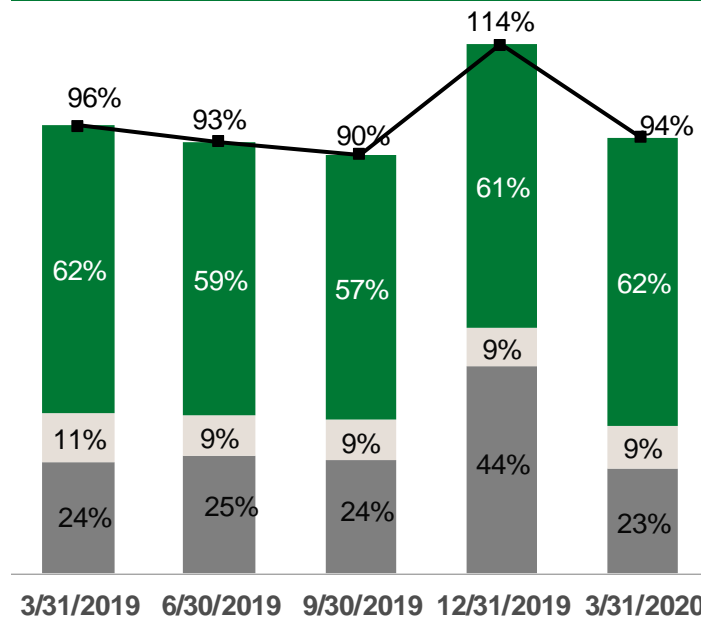
(as a Percentage of Total Revenue)

- Compensation and related costs have generally decreased since 2015, but have increased as a percentage of revenue due to lower AUM levels.
- Distribution, servicing and custody expenses, including revenue share expenses paid to third party mutual fund platforms, have decreased as a result of decreases in AUM as well as the elimination of certain distribution expenses following the restructuring of fees within our mutual funds.
- Other operating expenses have increased as a percentage of revenue as a result of costs to support existing strategic initiatives and infrastructure. The increase in Q4 2019 was primarily driven by impairment charges of approximately \$6.8 million related to strategic restructuring and transaction costs related to our technology initiatives.

For the year ended December 31,



For the quarter ended



■ Compensation & Related Costs %
■ Other Operating Costs %

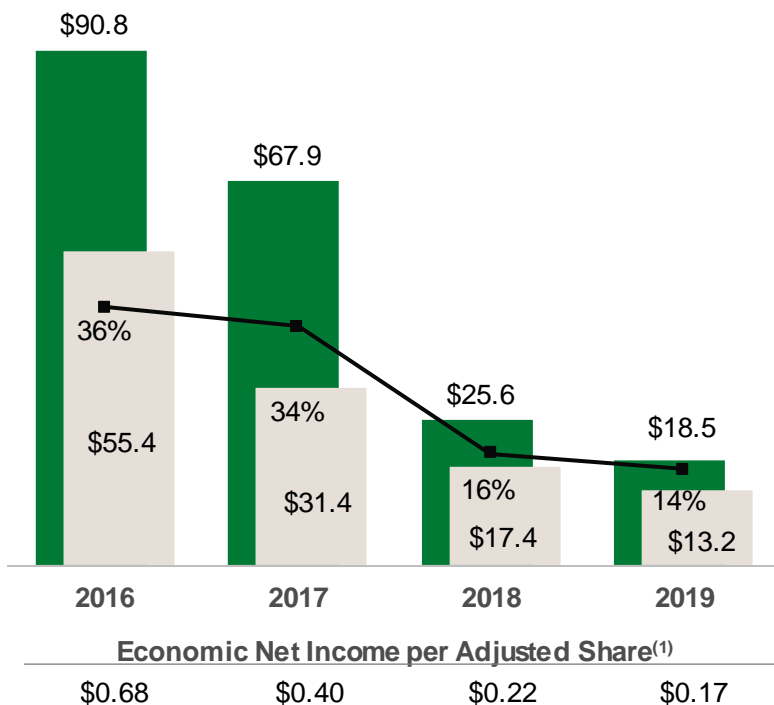
■ Distribution, Servicing & Custody Expenses %
■ Total Operating Expenses %

Economic Income, Economic Net Income & Economic Income Margins⁽¹⁾

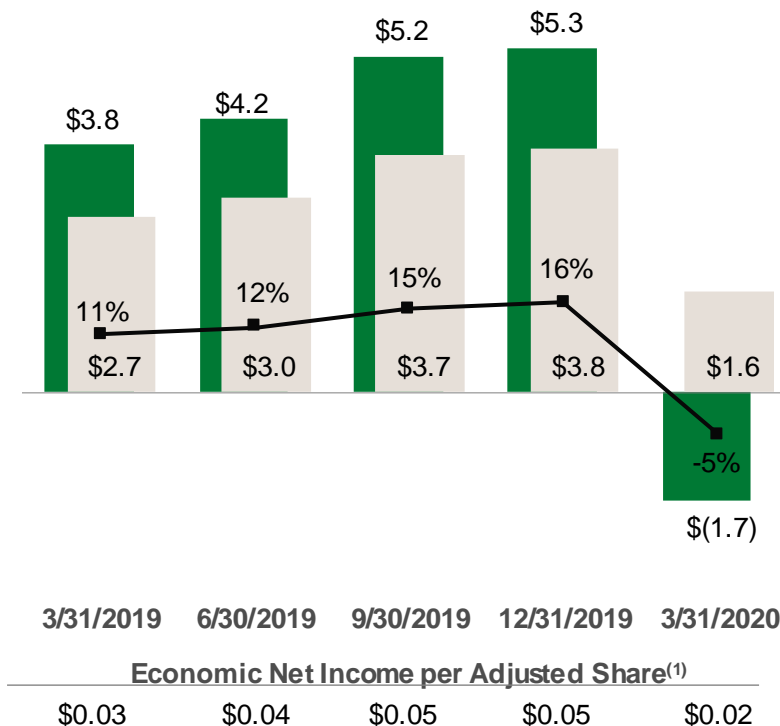
(\$ in millions except share data)

During 2019 & 2020 we are pursuing strategic initiatives with the objective of improving our client experience, and building a leaner organization that is positioned for future growth. These objectives have put pressure on margins in the near term but will pay off in the long term.

For the year ended December 31,



For the quarter ended



■ Economic Income
 ■ Economic Net Income
 ■ Economic Income Margin

⁽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⁽²⁾

- Beginning with the third quarter of 2019, we began providing as supplemental information a new non-GAAP measure, Economic Income.
- Economic Income, for periods beginning in and subsequent to January 1, 2019, 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.
- Non-GAAP measures for the first and second quarters of 2019 have been restated to conform to the current period presentation

	March 31, 2020	Three Months Ended December 31, 2019	March 31, 2019
	(in thousands, except share data)		
Income (loss) before provision for income taxes (GAAP)	(2,391)	(3,131)	3,159
Add back: Strategic restructuring and transaction costs ⁽¹⁾	719	8,440	660
Economic income (loss) (Non-GAAP)	(1,672)	5,309	3,819
Adjusted income taxes (Non-GAAP)	(3,238)	1,539	916
Economic net income (Non-GAAP)	\$ 1,566	\$ 3,770	\$ 2,903
Weighted average adjusted shares (Non-GAAP)	80,759,644	78,914,327	80,068,669
Economic net income per adjusted share (Non-GAAP)	\$ 0.02	\$ 0.05	\$ 0.04

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

Compensation and benefits	\$ 686	\$ 1,619	\$ 544
Other operating costs	33	6,821	116
	\$ 719	\$ 8,440	\$ 660

⁽²⁾ 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.

Impact from Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”)

The CARES Act was enacted in March of 2020 and is meant to address the economic fallout of the coronavirus pandemic. Under the CARES Act, net operating losses from 2018, 2019 and 2020 can be carried back 5 years to offset prior year taxable income. The following is a summary of the first quarter impacts to the Company’s GAAP earnings and Non-GAAP financial measures:

Q1 GAAP Earnings

- *Income tax benefit* – recognized a tax benefit of \$3.3 million, related to the favorable rate applied to its net operating losses.
- *Non-operating income (loss)* – recognized an expense of \$2.9 million related to the increase in the Company’s expected tax benefits discussed above and the payment of 85% of tax savings required under the tax receivable agreement (“TRA”).

Q1 Non-GAAP Financial Measures ⁽¹⁾

- *Economic income (loss)* – as reported, does not add back changes in amounts payable under the TRA.
- *Adjusted income taxes* – as reported, reflects the tax benefit the Company will receive (referenced above).

The following is a summary of reporting earnings and the Company’s Non-GAAP financial measures for the first quarter (in thousands)

	<u>As Reported</u>	<u>Non-GAAP</u>
Operating income	\$ 1,936	\$ 1,936
Change in amounts payable under TRA	(2,850)	(2,850)
Other non-operating income (loss)	(1,477)	(1,477)
Add back - strategic restructuring and transaction costs	-	719
Income (loss) before income taxes (GAAP) / Economic income (loss) (Non-GAAP)	(2,391)	(1,672)
Provision for (benefit from) income taxes (GAAP)	(3,226)	-
Adjusted income taxes (Non-GAAP)	-	(3,238)
Net income (GAAP) / Economic net income (Non-GAAP)	\$ 835	\$ 1,566

1) 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.

Exchange of Class A Units

Subsequent to March 30, 2020, the independent Board of Directors of Manning & Napier Inc. approved to settle the 60,012,419 Class A units of Manning & Napier Group, LLC tendered for exchange, including 59,957,419 units held by William Manning, the Company's co-founder, using \$88.8 million in cash. The Company expects the settlement of the exchange to occur on or before May 15, 2020 with payment to be made from the Company's cash, cash equivalents and proceeds from the sale of investment securities.

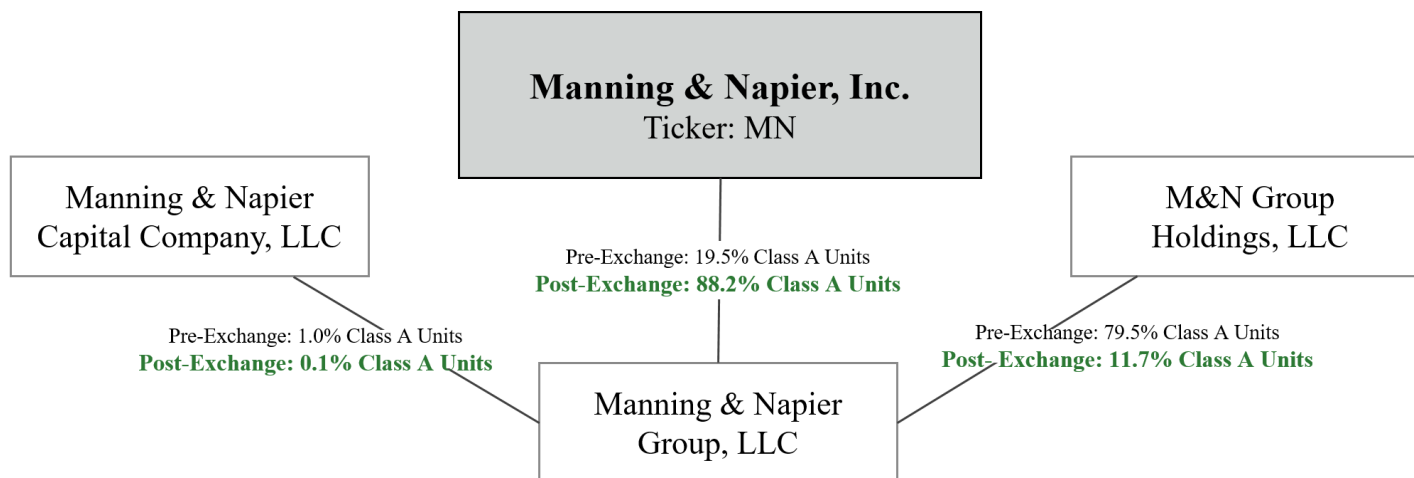
The following is a summary of the Company's balance sheet as of March 31, 2020 and the proforma balance sheet subsequent to the estimated impacts from the exchange:

	March 31, 2020, as reported	Estimated exchange impacts	March 31, 2020, as adjusted
	(in thousands)		
Cash and cash equivalents	\$ 75,019	\$ (33,818)	\$ 41,201
Investment securities	71,043	(55,000)	16,043
Other assets	73,238	-	-
Total assets	\$ 219,300	\$ (88,818)	\$ 57,244
Total liabilities	\$ 68,321	\$ -	\$ 68,321
Total equity	\$ 150,979	\$ (88,818)	\$ 62,161
Total liabilities and equity	\$ 219,300	\$ (88,818)	\$ 130,482

Exchange of Class A Units (continued)

Upon the closing of the transaction, the 60,012,419 exchanged Class A units will be retired resulting in:

- an increase in Manning & Napier Inc.'s ownership of Manning & Group, LLC from 19.5% to 88.2%



- a decrease in adjusted shares outstanding from 81.9 million to 21.9 million

	March 31, 2020		Exchange	Post Exchange	
	#	%		#	%
Class A common stock	16,030,359	20%	-	16,030,359	73%
Unvested stock awards	245,000	0%	-	245,000	1%
Unvested stock units	3,466,509	4%	-	3,466,509	16%
Vested stock options	166,666	0%	-	166,666	1%
Private units of Manning & Napier Group	62,034,200	76%	(60,012,419)	2,021,781	9%
	81,942,734	100%	(60,012,419)	21,930,315	100%

