

# Manning & Napier Earnings Release Supplement

*For the period ended June 30, 2021*

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



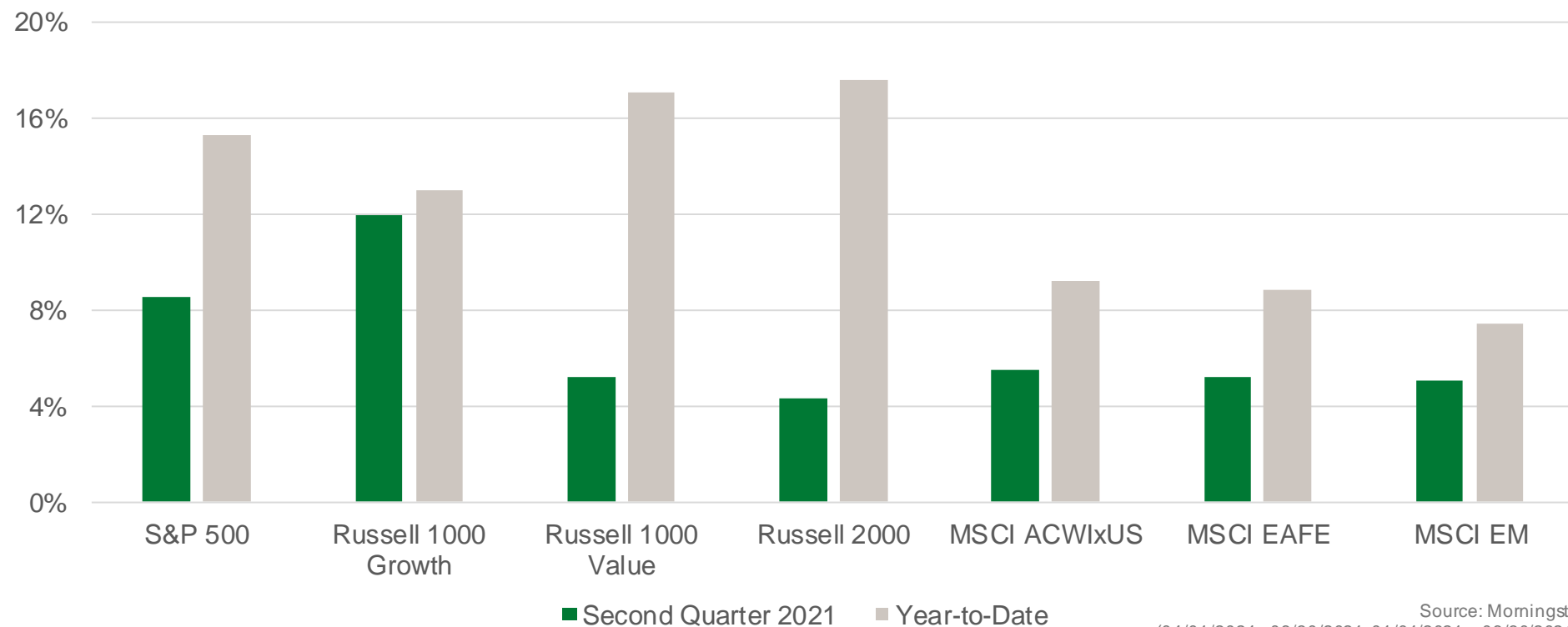
# Forward Looking Statements

*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 6/30/2021)

## The Historic Post-Pandemic Rally Continues

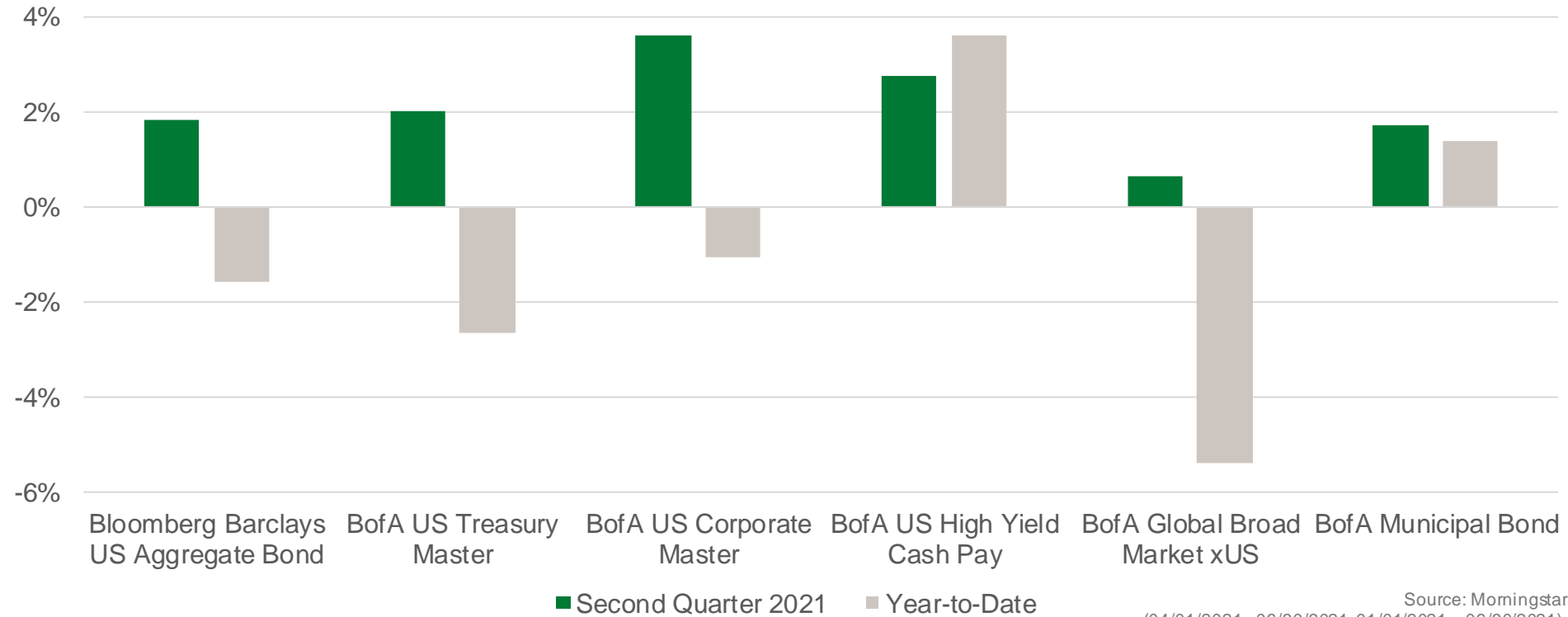


### KEY TAKEAWAY

Equity performance was strong again in the second quarter, extending year-to-date gains. Although economic and corporate fundamentals are compelling, broad equity market valuations are stretched.

# Fixed Income Performance (as of 6/30/2021)

## Rates Retreat and Spreads Compress Further



### KEY TAKEAWAY

After sharply rising to start the year, US interest rates drifted lower throughout the second quarter as overly optimistic expectations for inflation, fiscal stimulus, and economic growth were recalibrated lower.

# Company Performance (as of 6/30/2021)

Multi-Asset Class - Traditional Strategies	AUM (\$M)	Inception Date	QTD	YTD	1-Year	3-Year	5-Year	10-Year
<b>Conservative Growth (5%- 35%equity range)<sup>1</sup></b> <i>15% Russell 3000 / 5% MSCI ACWIxUS / 80% BB Int Agg</i>	\$ 677.3	4/1/1992	2.55%	2.66%	8.95%	7.60%	5.82%	4.62%
Relative Performance			2.12%	1.94%	7.55%	7.02%	5.33%	4.78%
			0.43%	0.72%	1.40%	0.58%	0.49%	-0.16%
<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>	\$ 2,940.7	1/1/1973	4.51%	6.21%	17.46%	11.25%	9.16%	6.92%
Relative Performance			3.79%	4.53%	15.35%	9.82%	8.27%	6.97%
			0.72%	1.68%	2.11%	1.43%	0.89%	-0.05%
<b>Long-Term Growth (30%- 80%equity range)<sup>1</sup></b> <i>40% Russell 3000 / 15% MSCI ACWIxUS / 45% BB Agg</i>	\$ 6,231.3	1/1/1973	5.69%	8.45%	22.59%	13.22%	11.23%	8.45%
Relative Performance			4.93%	6.49%	21.42%	11.66%	10.33%	8.42%
			0.76%	1.96%	1.17%	1.56%	0.90%	0.03%
<b>Equity-Focused Blend (50%- 90%equity range)<sup>1</sup></b> <i>53% Russell 3000 / 17% MSCI ACWIxUS / 30% BB Agg</i>	\$ 1,137.1	4/1/2000	6.41%	10.28%	27.07%	14.95%	12.93%	9.57%
Relative Performance			5.84%	8.91%	28.12%	13.43%	12.41%	9.90%
			0.57%	1.37%	-1.05%	1.52%	0.52%	-0.33%
<b>Equity-Oriented (70%- 100%equity range)<sup>1</sup></b> <i>65% Russell 3000 / 20% MSCI ACWIxUS / 15% BB Agg</i>	\$ 1,569.8	1/1/1993	7.60%	12.98%	35.39%	17.32%	15.91%	11.07%
Relative Performance			6.73%	11.31%	35.03%	15.04%	14.39%	11.25%
			0.87%	1.67%	0.36%	2.28%	1.52%	-0.18%
Multi-Asset Class - Specialized Strategies	AUM (\$M)	Inception Date	QTD	YTD	1-Year	3-Year	5-Year	10-Year
<b>Managed ETF - Long-Term Growth<sup>1</sup></b> <i>40% Russell 3000 / 15% MSCI ACWIxUS / 45% BB Agg</i>	\$ 233.8	2/1/2010	4.07%	6.08%	19.07%	11.52%	9.86%	7.38%
Relative Performance			4.93%	6.49%	21.42%	11.66%	10.33%	8.42%
			-0.86%	-0.41%	-2.35%	-0.14%	-0.47%	-1.04%
<b>Strategic Income<sup>1</sup></b> <i>32% Russell 3000 / 8% MSCI World / 10% MSCI US REIT / 50% BB Agg</i>	\$ 237.5	5/1/2012	3.51%	6.69%	16.24%	8.48%	7.39%	--
Relative Performance			4.17%	7.86%	19.51%	9.08%	7.10%	7.43%
			-0.66%	-1.17%	-3.27%	-0.60%	0.29%	--
Fixed Income Strategies	AUM (\$M)	Inception Date	QTD	YTD	1-Year	3-Year	5-Year	10-Year
<b>Aggregate Fixed Income<sup>1</sup></b> <i>Bloomberg Barclays US Aggregate (BB Agg) Index</i>	\$ 213.4	1/1/1984	1.80%	-1.60%	0.51%	5.77%	3.36%	3.39%
Relative Performance			1.83%	-1.60%	-0.33%	5.34%	3.03%	3.39%
			-0.03%	0.00%	0.84%	0.43%	0.33%	0.00%
<b>Diversified Tax Exempt<sup>3</sup></b> <i>ICE BofAML 1-12 Year Municipal Bond Index</i>	\$ 63.0	2/14/1994	1.03%	0.39%	2.17%	4.05%	2.25%	2.13%
Relative Performance			0.76%	0.47%	2.48%	3.89%	2.45%	2.87%
			0.27%	-0.08%	-0.31%	0.16%	-0.20%	-0.74%

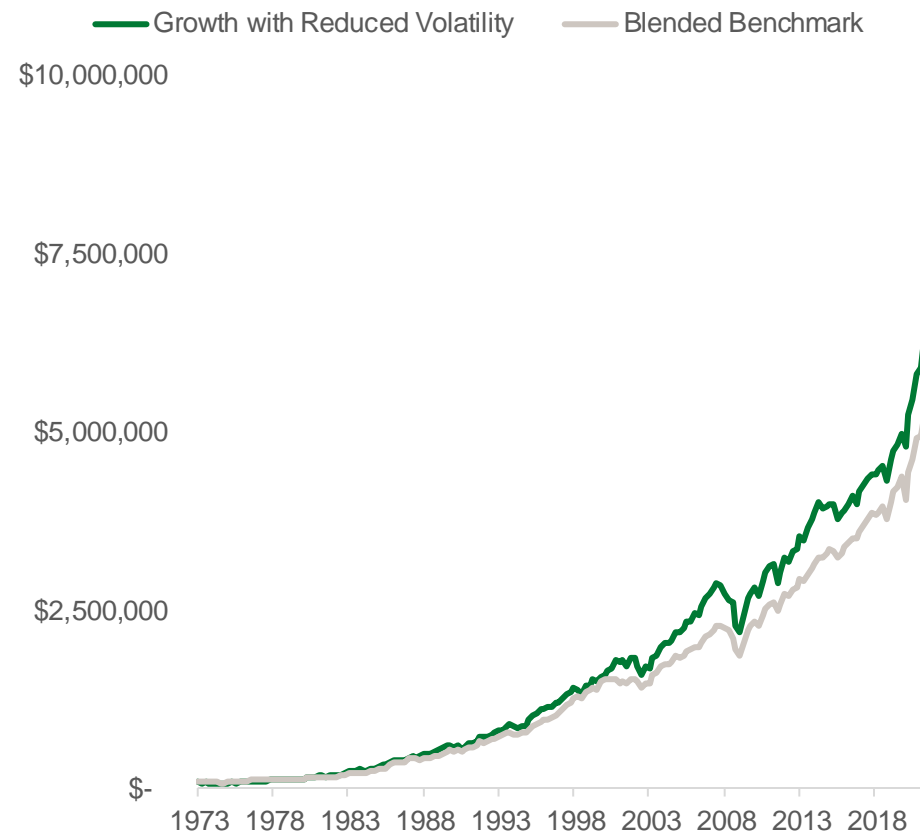
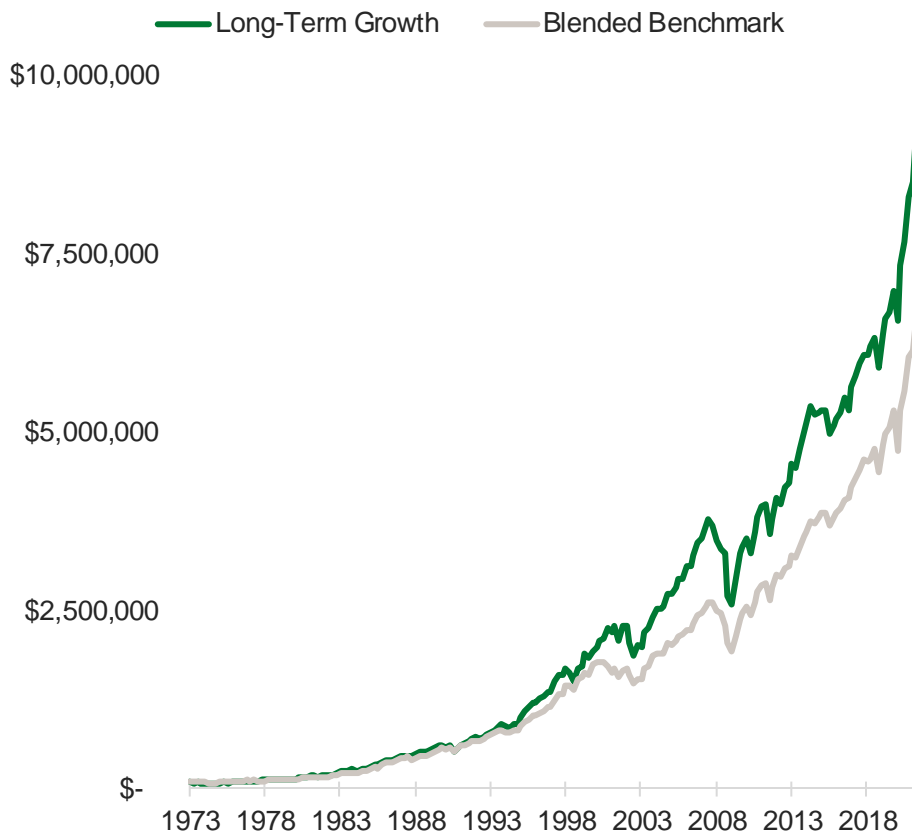
Investment strategy returns are presented net of fees. Benchmark returns do not reflect any fees or expenses. Performance greater than one year is annualized. Footnotes are as follows:  
 1) Composite performance; 2) Mutual Fund Share Class S performance; 3) Mutual Fund Share Class A performance; 4) Collective Investment Trust performance.

# Company Performance (Continued)

Fixed Income Strategies (continued)	AUM (\$M)	Inception Date	QTD	YTD	1-Year	3-Year	5-Year	10-Year
<b>Unconstrained Bond Series<sup>2</sup></b>	\$ 55.1	4/21/2005	1.97%	2.19%	8.59%	5.13%	3.81%	3.65%
<i>FTSE 3-Month Treasury Bill Index</i>			0.01%	0.03%	0.08%	1.31%	1.14%	0.60%
Relative Performance			1.96%	2.16%	8.51%	3.82%	2.67%	3.05%
<b>High Yield Bond Series<sup>2</sup></b>	\$ 46.4	9/14/2009	3.32%	6.12%	19.92%	8.28%	7.72%	6.67%
<i>ICE BofAML High Yield Cash Pay BB-B Rated Index</i>			2.59%	2.89%	13.47%	7.47%	7.05%	6.46%
Relative Performance			0.73%	3.23%	6.45%	0.81%	0.67%	0.21%
Equity Strategies	AUM (\$M)	Inception Date	QTD	YTD	1-Year	3-Year	5-Year	10-Year
<b>Core U.S. Equity<sup>1</sup></b>	\$ 304.7	7/1/2000	9.01%	16.54%	41.02%	20.43%	19.62%	13.98%
<i>Russell 3000 Index</i>			8.24%	15.11%	44.16%	18.73%	17.89%	14.70%
Relative Performance			0.77%	1.43%	-3.14%	1.70%	1.73%	-0.72%
<b>Core Non-U.S. Equity<sup>1</sup></b>	\$ 814.3	10/1/1996	8.61%	13.86%	46.78%	15.92%	13.33%	6.34%
<i>MSCI All-Country World ex-US (MSCI ACWIXUS) Index</i>			5.48%	9.16%	35.72%	9.38%	11.08%	5.45%
Relative Performance			3.13%	4.70%	11.06%	6.54%	2.25%	0.89%
<b>Core Equity - Unrestricted (90%- 100%equity range)<sup>1</sup></b>	\$ 721.1	1/1/1995	8.18%	14.57%	39.32%	18.35%	17.60%	12.68%
<i>80% Russell 3000 /20% MSCI ACWIXUS</i>			7.70%	13.92%	42.48%	16.85%	16.54%	12.84%
Relative Performance			0.48%	0.65%	-3.16%	1.50%	1.06%	-0.16%
<b>Global Equity CIT<sup>4</sup></b>	\$ 1,046.3	5/1/2006	8.11%	14.64%	39.88%	18.52%	17.10%	11.05%
<i>MSCI All-Country World Index</i>			7.39%	12.30%	39.26%	14.57%	14.61%	9.90%
Relative Performance			0.72%	2.34%	0.62%	3.95%	2.49%	1.15%
Specialized Strategies	AUM (\$M)	Inception Date	QTD	YTD	1-Year	3-Year	5-Year	10-Year
<b>Disciplined Value - Unrestricted<sup>1</sup></b>	\$ 533.4	11/1/2003	3.92%	14.27%	35.50%	11.48%	12.25%	11.05%
<i>80% Russell 1000 Value /20% S&amp;P ADR</i>			5.88%	16.90%	42.93%	11.80%	11.57%	10.32%
Relative Performance			-1.96%	-2.63%	-7.43%	-0.32%	0.68%	0.73%
<b>Disciplined Value - U.S.<sup>1</sup></b>	\$ 1,488.6	1/1/2013	3.40%	14.36%	35.54%	12.19%	13.33%	--
<i>Russell 1000 Value Index</i>			5.21%	17.05%	43.68%	12.42%	11.87%	11.61%
Relative Performance			-1.81%	-2.69%	-8.14%	-0.23%	1.46%	--
<b>Real Estate Series<sup>2</sup></b>	\$ 81.0	11/10/2009	12.96%	19.17%	31.35%	10.35%	7.18%	9.90%
<i>MSCI US REIT Index</i>			11.74%	21.24%	36.57%	8.83%	5.02%	8.06%
Relative Performance			1.22%	-2.07%	-5.22%	1.52%	2.16%	1.84%
<b>Rainier International Small Cap<sup>2</sup></b>	\$ 1,215.3	3/28/2012	8.79%	9.15%	49.14%	15.30%	16.13%	--
<i>MSCI ACWIXUS Small Cap Index</i>			6.35%	12.24%	47.04%	9.78%	11.97%	7.02%
Relative Performance			2.44%	-3.09%	2.10%	5.52%	4.16%	--

See prior page for footnotes and disclosures.

# Growth of \$100,000 (as of 6/30/2021)



## 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



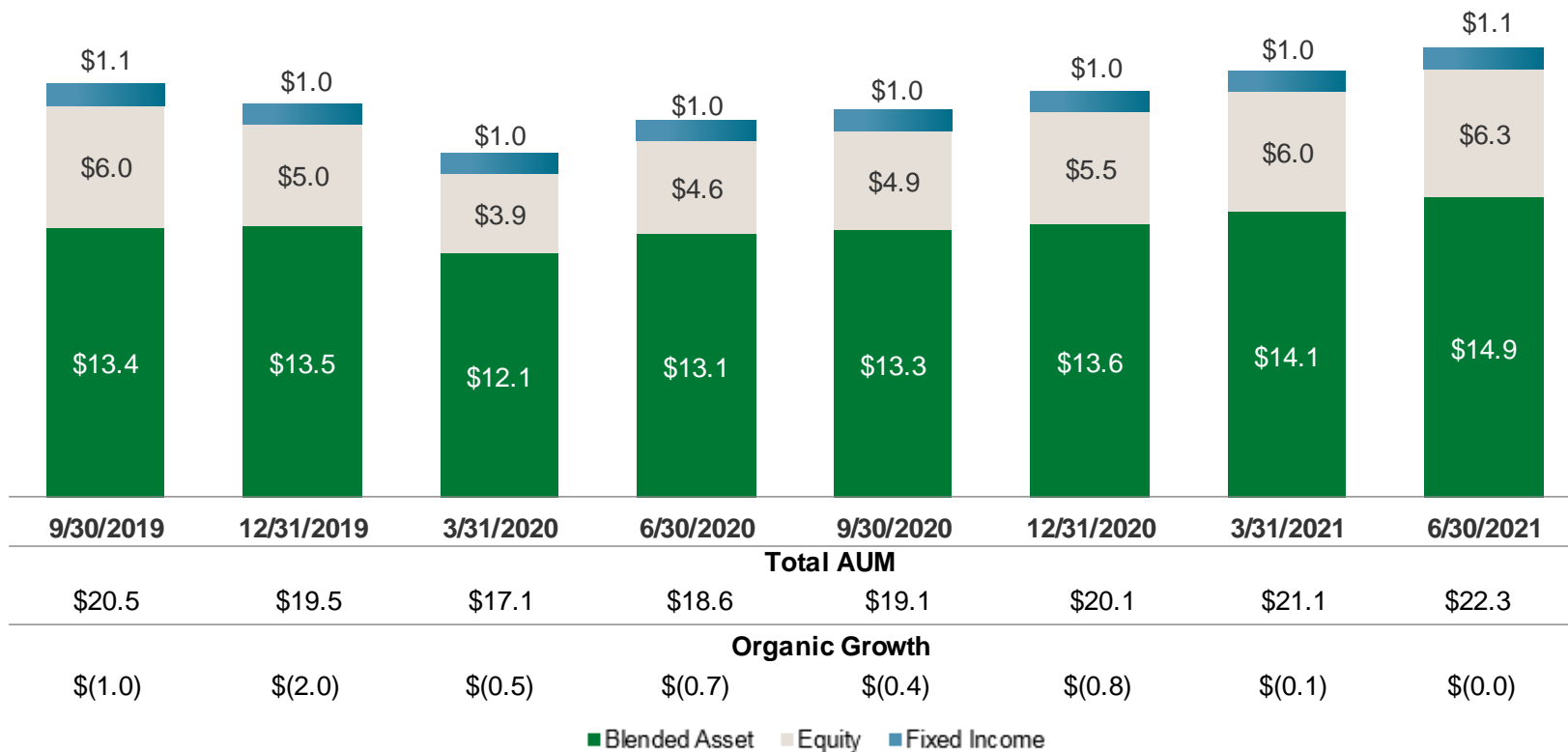
# Performance: Enterprise-Level

# 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

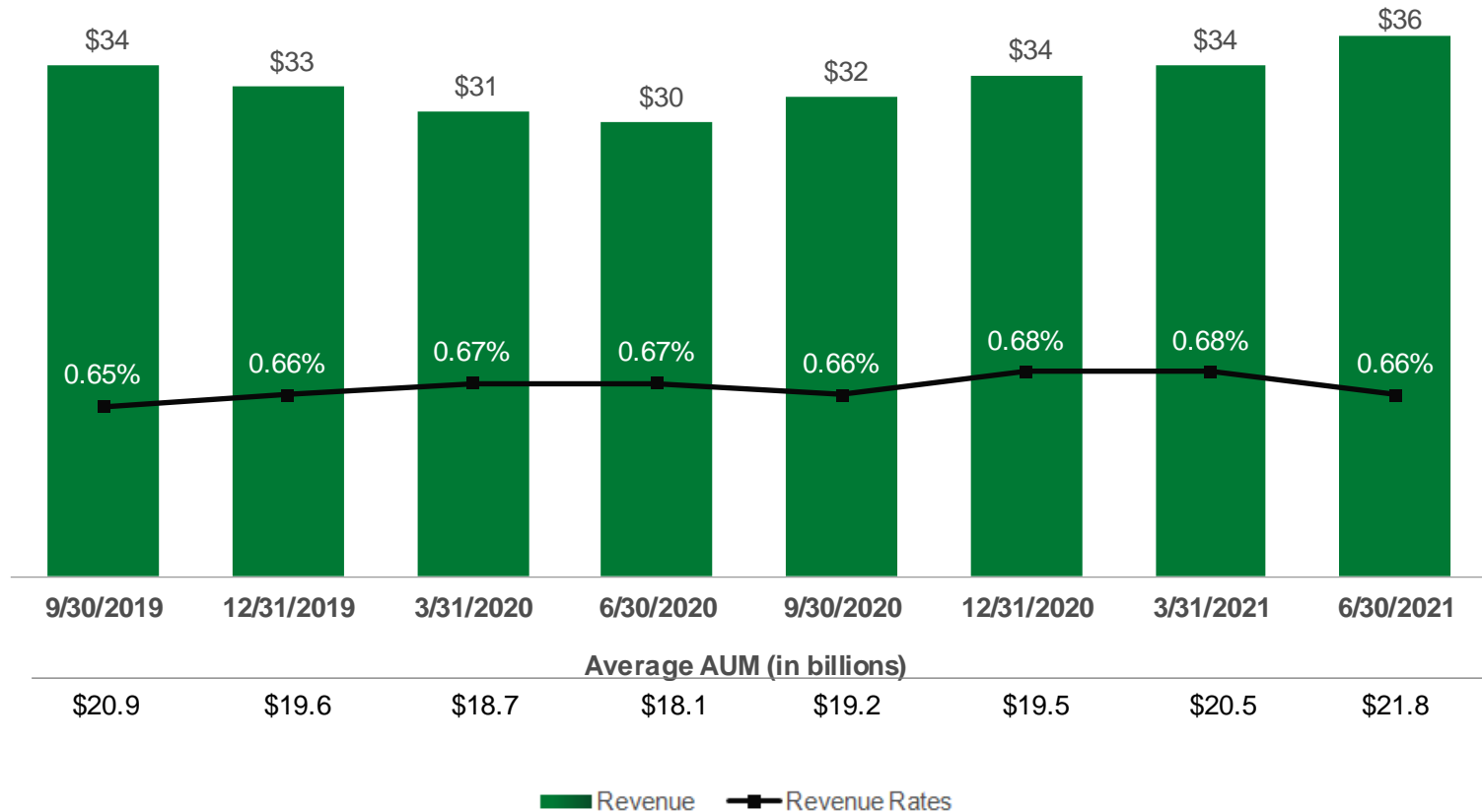


# Historical Revenue & Revenue Rates

(\$ 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



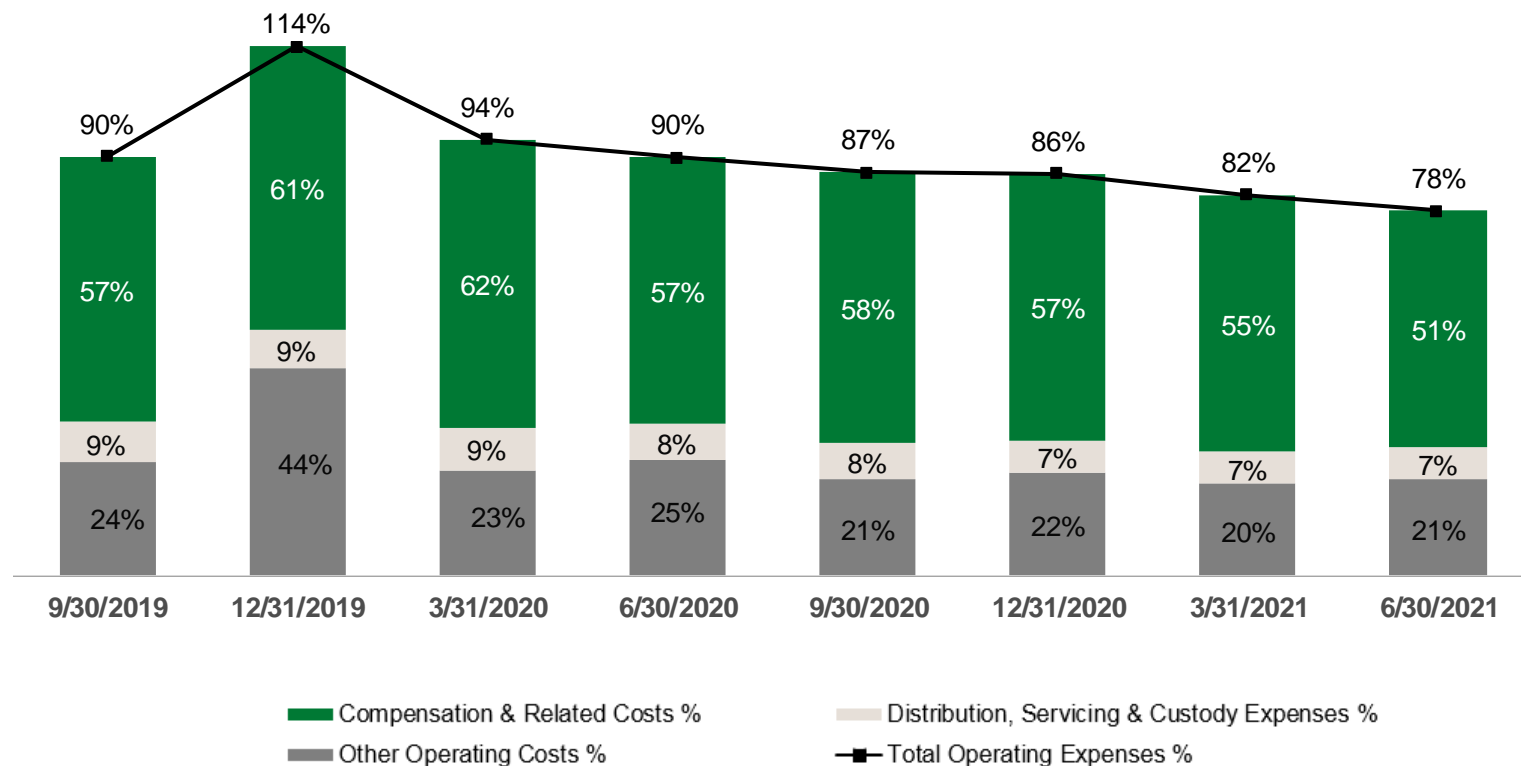
# Historical Operating Expenses

*(as a Percentage of Total Revenue)*

Compensation and related costs as a percentage of revenue have improved during 2021 as a result of increases in revenue and the implementation of our deferred compensation program. We expect that our compensation for the next few quarters will be in the mid-50% range. Longer-term, our goal is to have a compensation ratio of less than 50%, which will be achieved through both revenue growth and efficiencies achieved through our digital transformation.

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

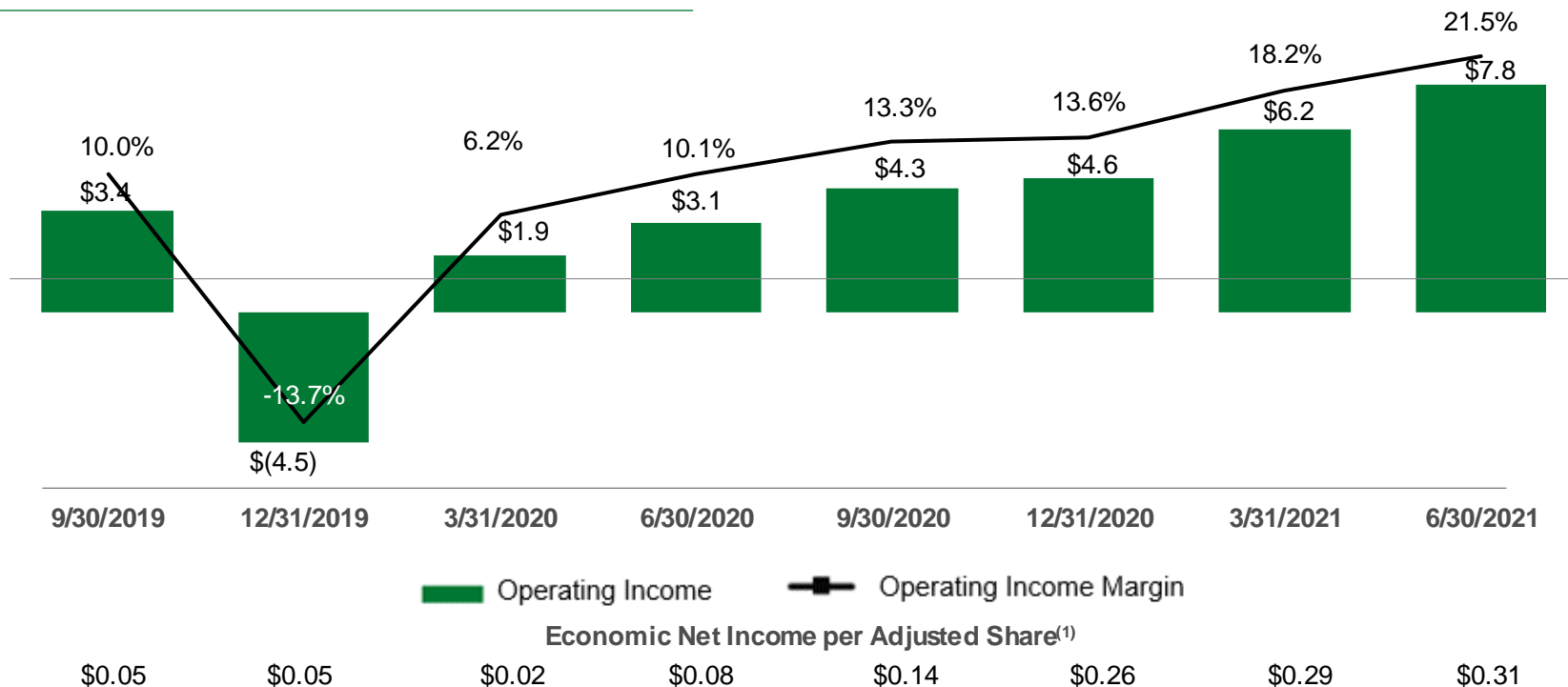
For the quarter ended



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

Our operating margins have steadily increased from the 2% operating income margin we reported in fiscal year 2019. As of Q2 2021 we eclipsed our 20% target margin we have been committed to achieving. 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		
	June 30, 2021	March 31, 2021	June 30, 2020
	(in thousands, except share data)		
Income (loss) before provision for income taxes (GAAP)	8,026	6,667	5,743
<b>Add back: Strategic restructuring and transaction costs, net <sup>(1)</sup></b>	<b>814</b>	<b>902</b>	<b>958</b>
Economic income (Non-GAAP)	8,840	7,569	6,701
<b>Adjusted income taxes (Non-GAAP)</b>	<b>1,453</b>	<b>869</b>	<b>2,730</b>
Economic net income (Non-GAAP)	7,387	6,700	3,971
Weighted average shares of Class A common stock outstanding - Basic	16,956,265	17,026,500	16,132,667
<b>Assumed vesting, conversion or exchange of:</b>			
Weighted average Manning & Napier Group, LLC units outstanding (noncontrolling interest)	2,004,276	2,021,781	28,400,866
Weighted average unvested restricted stock units and stock awards	4,001,287	3,764,744	3,609,201
Weighted average vested stock options	509,772	586,366	166,666
Weighted average adjusted shares (Non-GAAP)	23,471,600	23,399,391	48,309,400
Economic net income per adjusted share (Non-GAAP)	\$ 0.31	\$ 0.29	\$ 0.08
<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	156	484	154
Other operating costs	658	418	804
	\$ 814	\$ 902	\$ 958

<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 June 30, 2021:

- **Adjusted Shares Outstanding** <sup>(1)</sup> - decreased during the quarter by approximately 500 thousand to 23.2 million. The decrease is driven primarily by the share buy-back of 300 thousand Class A shares and shares withheld to satisfy tax withholding requirements and exercise costs on stock options exercised and vesting of restricted stock awards.
- **Class A common stock** – increased during the quarter by 1.6 million. The change reflects an increase of 1.6 million shares issued in connection with the exchange and of approximately 300 thousand in connection with stock options exercised and restricted stock awards vesting during the quarter, partially offset by a decrease of approximately 300 thousand shares from repurchases during the quarter under the share repurchase program.

Total Adjusted Shares outstanding:						6/30/2021	QTD Change
	3/31/2021	Exchange	Grants, net of forfeitures	Vesting and Stock Option Exercises	Repurchases of Class A common stock		
Class A common stock outstanding	16,888,297	1,592,969		313,564	(301,260)	18,493,570	1,605,273
Unvested restricted stock awards	122,500		-	(122,500)	-	-	(122,500)
Unvested restricted stock unit awards	3,981,095		-	-	-	3,981,095	-
Vested stock options	695,332		-	(362,000)	-	333,332	(362,000)
Exchangeable units of Manning & Napier Group	2,021,781	(1,592,969)	-	-	-	428,812	(1,592,969)
<b>Adjusted Shares Outstanding</b>	<b>23,709,005</b>	<b>-</b>	<b>-</b>	<b>(170,936)</b>	<b>(301,260)</b>	<b>23,236,809</b>	<b>(472,196)</b>
Unvested stock options	454,668	-	-	(288,000)	-	166,668	(288,000)
<b>Total Potential Class A Common Stock</b>	<b>24,163,673</b>	<b>-</b>	<b>-</b>	<b>(458,936)</b>	<b>(301,260)</b>	<b>23,403,477</b>	<b>(760,196)</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 June 30, 2021

### **Investment Excellence**

- Results remained strong with the bulk of our AUM and most of our investment strategies generating positive absolute results and outperforming benchmarks during the quarter
  - Submitted our application for the UNPRI designation
- 

### **Sales Productivity**

- Nearing positive net flows overall, including positive net flows across our suite of mutual funds and CITs, driven by increasing momentum in our Intermediary channel
  - Additional new hires and transfers, reflecting continued investment in our client-facing teams
- 

### **Operational Efficiency**

- Charles River was deployed for several strategies. Anticipating completion in Q1 2022
  - Workday for Human Capital Management was delivered. Final phase for Q3 2021
  - InvestCloud planning module rollout complete. Final implementation target is Q1 2022
- 

### **People & Culture**

- Completed an exchange transaction to further simplify our corporate structure
- Reaffirmed our commitment to maintaining a powerful, consistent culture, as well as to offering workplace flexibility in our newly transformed, highly digital society

# 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*

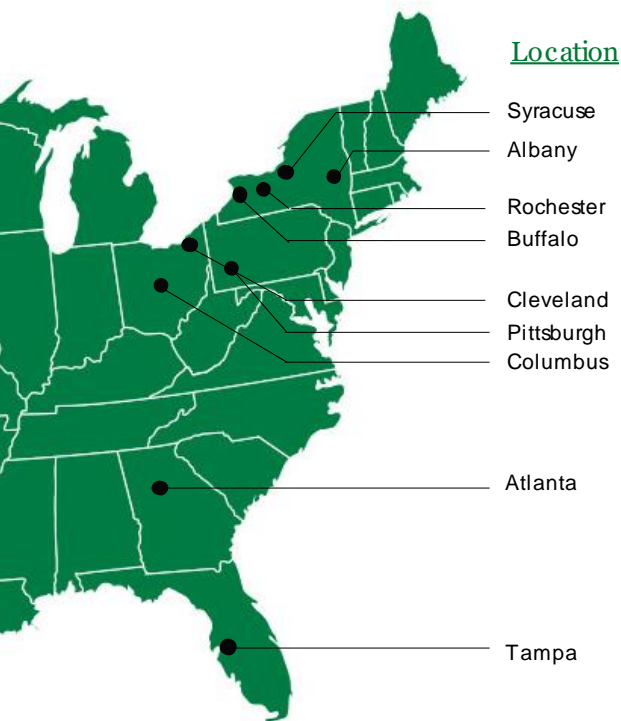
*17 Years of Experience*



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).

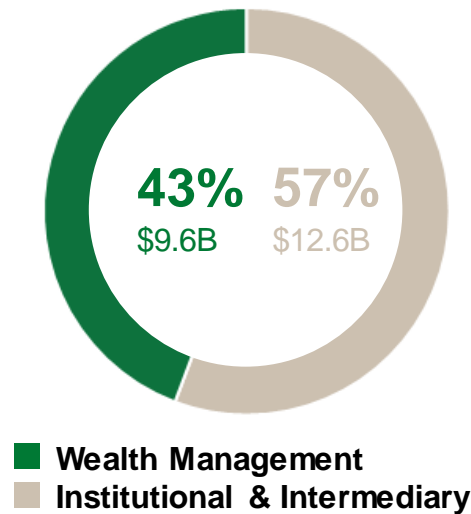
# Regional Wealth Management Focus

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 6/30/2021)

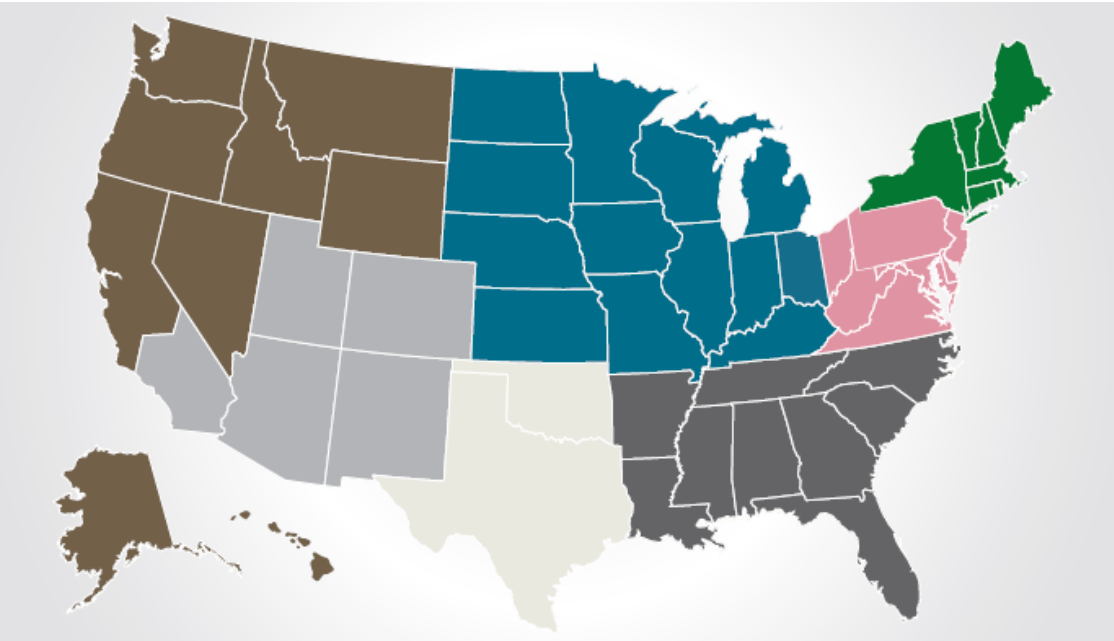


## Wealth Management Solutions

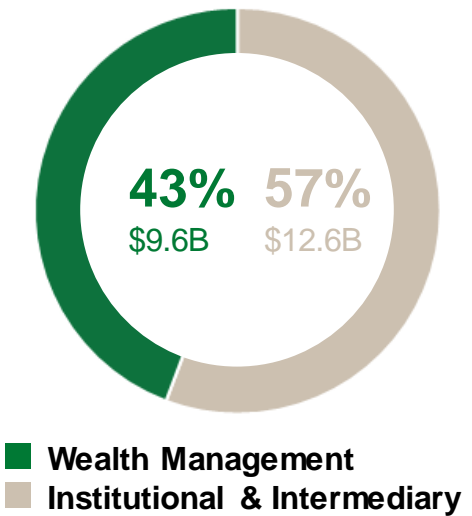
- Wealth Planning
- Retirement Planning
- Investment Management
- Trust & Fiduciary Services
- Tax & Insurance Guidance
- Endowments & Foundations
- Business Planning
- Charitable Giving

# National Asset Management Coverage

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



## Total Channel Mix & AUM (as of 6/30/2021)



## Asset Management Channels



Intermediary



Institutional



Taft-Hartley

