



Q2 2015 Earnings Presentation

August 6, 2015



Disclaimer

Forward Looking Statements

This presentation may contain forward looking statements for the purposes of the safe harbor provision under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are identified by words such as “expect,” “anticipate,” “may,” “intends,” “believes,” “estimate,” “project,” and other similar expressions.

Such statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from these forward looking statements. These factors include, but are not limited to, the factors described in OMAM’s filings made with the Securities and Exchange Commission, including our Form S-1, as filed with the SEC on June 8, 2015, as amended, under the heading “Risk Factors.”

Any forward-looking statements in this presentation are based on assumptions as of today and we undertake no obligation to update these statements as a result of new information or future events. We urge you not to place undue reliance on any forward-looking statements.

Non-GAAP Financial Measures

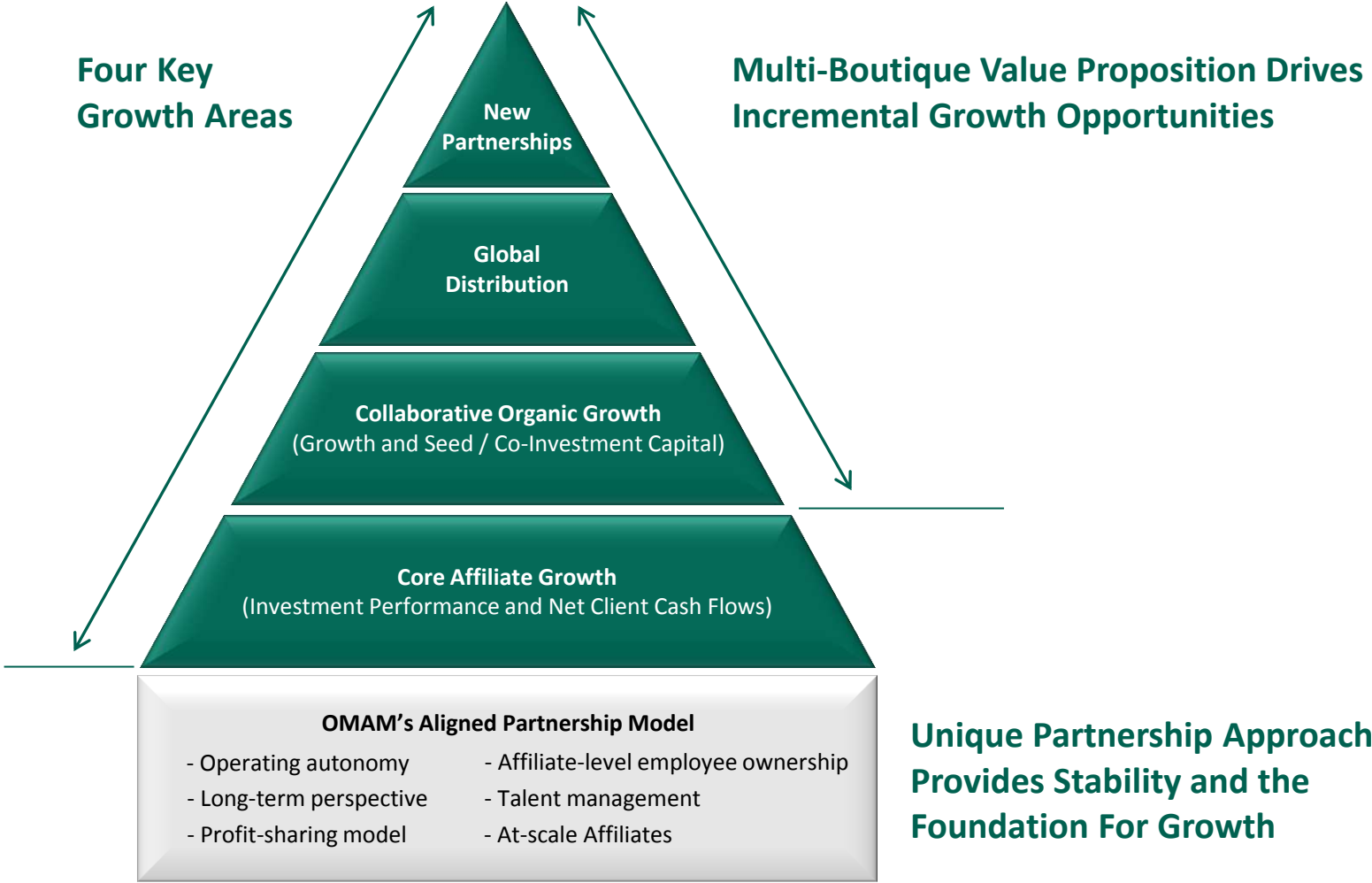
This presentation may contain non-GAAP financial measures. A reconciliation of GAAP to non-GAAP measures is included in the appendix to this presentation.

Overview and Highlights

- Q2'15 ENI per share (excluding extraordinary performance fee) of \$0.32 up 14% over Q2'14 ENI per share of \$0.28
 - Total Q2'15 ENI (including extraordinary performance fee) of \$49 million up 45% over Q2'14 ENI of \$34 million
 - Extraordinary performance fee of \$11.4 million (\$.09 per share) net of associated expenses and taxes, related to certain alternative assets
- Net Client Cash Flows of \$786 million for Q2'15 yielding positive annualized revenue impact of \$13.5 million for Q2 and \$24.8 million for H1 (3.4% of beginning run-rate management fees)
 - Concentration of inflows in higher fee products
- AUM of \$227 billion up 5% over Q2'14 and 1% over 3/31/15
- Long-term investment performance remains strong with strategies representing 70%, 74% and 89% of revenue outperforming benchmarks on a 1-, 3-, and 5-yr basis
- Secondary sale of 15,295,000 shares at \$17.50 completed June 22, improving OMAM trading liquidity
- Partnership pipeline continues to progress with heightened levels of activity

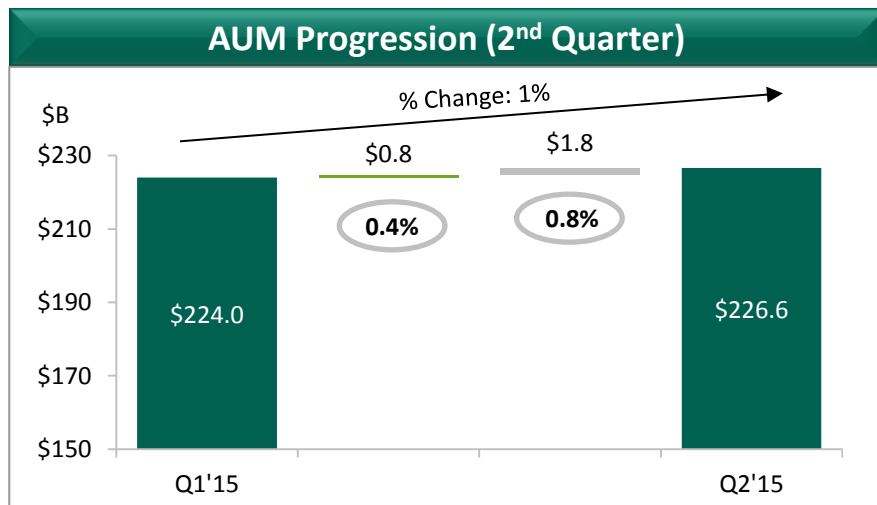
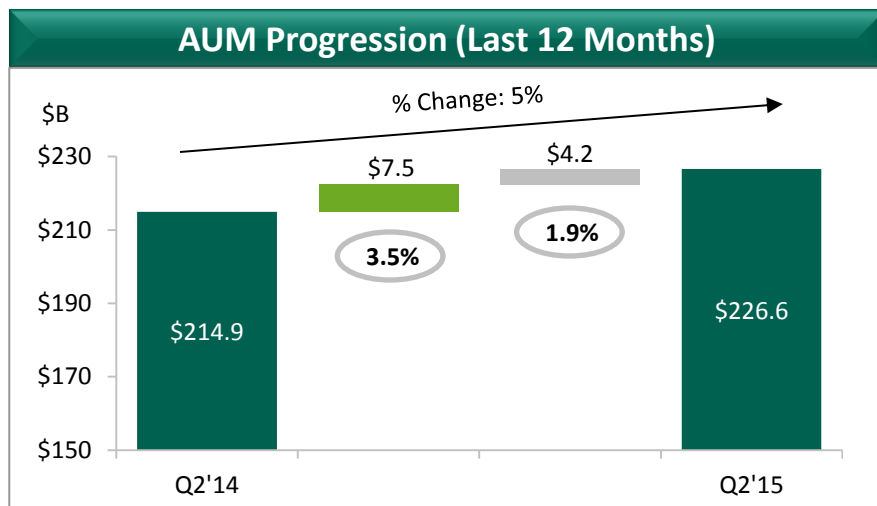
Growth Strategy

OMAM’s multi-boutique model is well positioned for growth, with four key areas of focus...



Please see definitions and additional notes.

AUM Progression and Mix



AUM Mix (6/30/15)

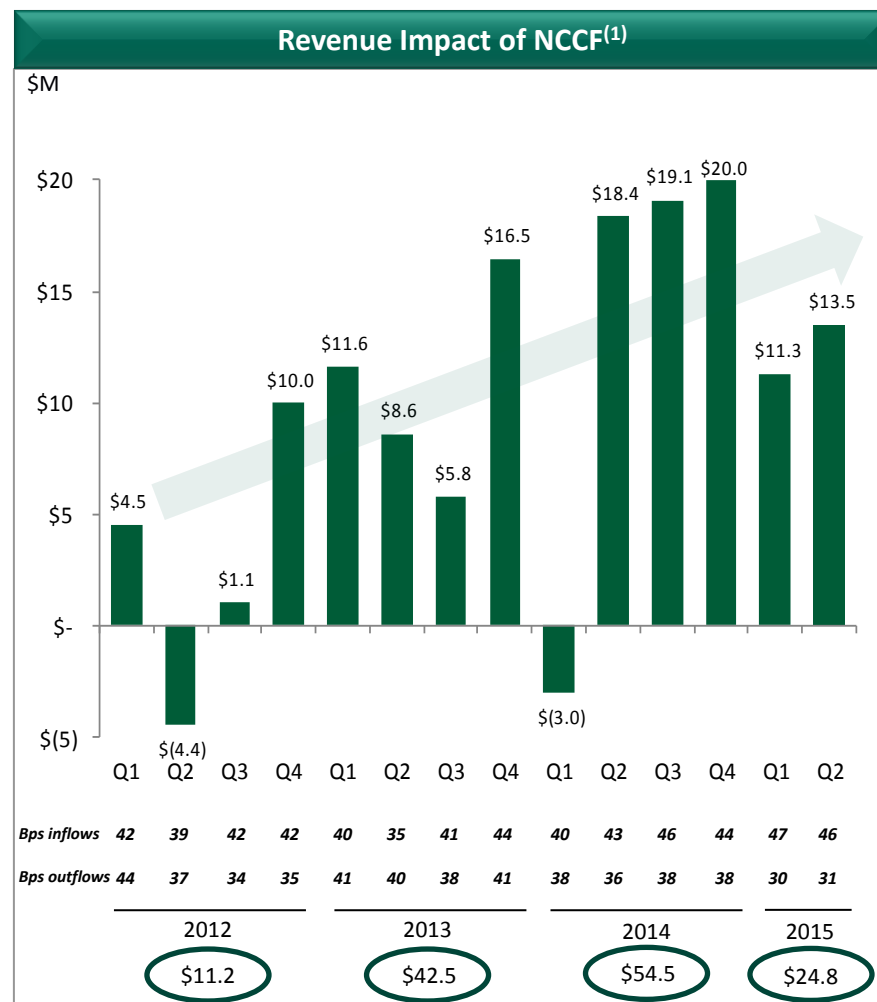
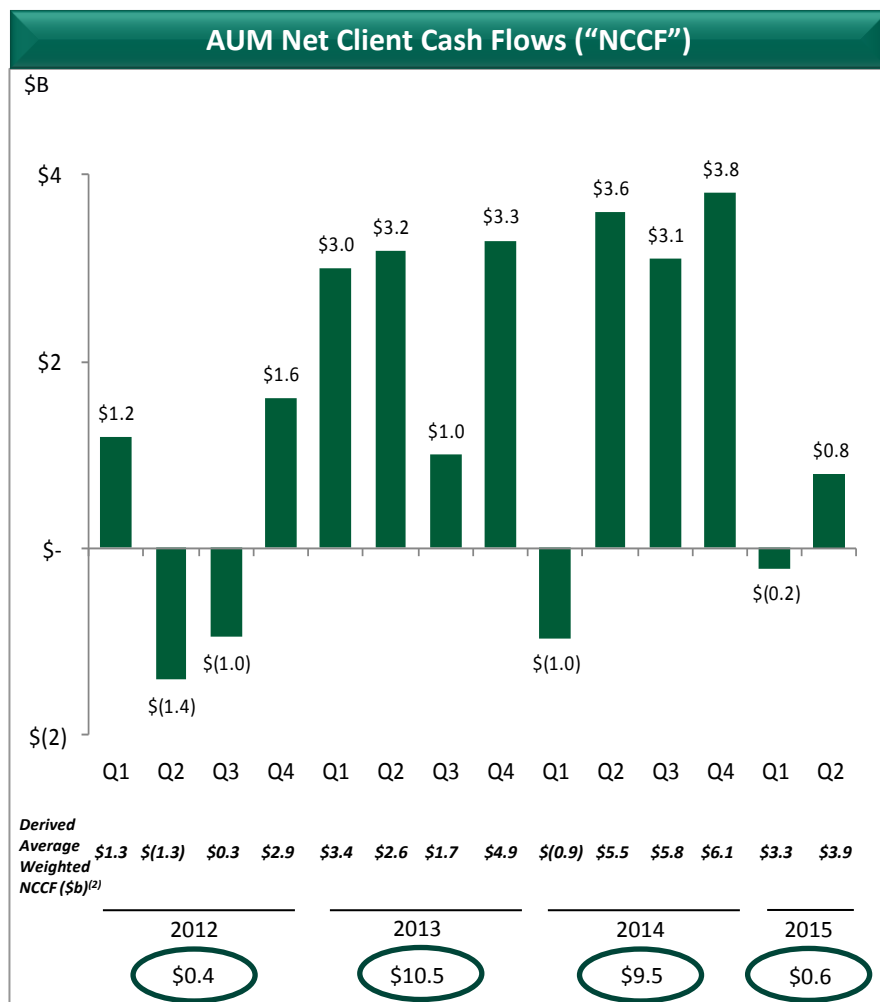
AUM by Affiliate	AUM	
	\$B	% Total
ACADIAN	\$75	33%
BARROW, HANLEY, MEWHINNEY & STRAUSS	97	43%
CampbellGlobal FOREST & NATURAL RESOURCE INVESTMENTS	7	3%
Copper Rock CAPITAL PARTNERS	4	2%
HEITMAN A REAL ESTATE INVESTMENT MANAGEMENT FIRM	28	12%
ICM INVESTMENT COUNSELORS OF MARYLAND, LLC	2	1%
Thompson, Siegel & Walmsley LLC INVESTMENT MANAGEMENT	14	6%
Total	\$227	100%

AUM by Asset Class	AUM	
	\$B	% Total
U.S. Equity	\$85	38%
Alternative, Real Estate & Timber	36	16%
International Equity	37	16%
Global Equity	30	13%
Emerging Markets Equity	24	10%
Fixed Income	15	7%
Total	\$227	100%

■ AUM at Period End ■ Net Flows ■ Market Appreciation and Other ○ As % of BoP AUM

Please see definitions and additional notes.

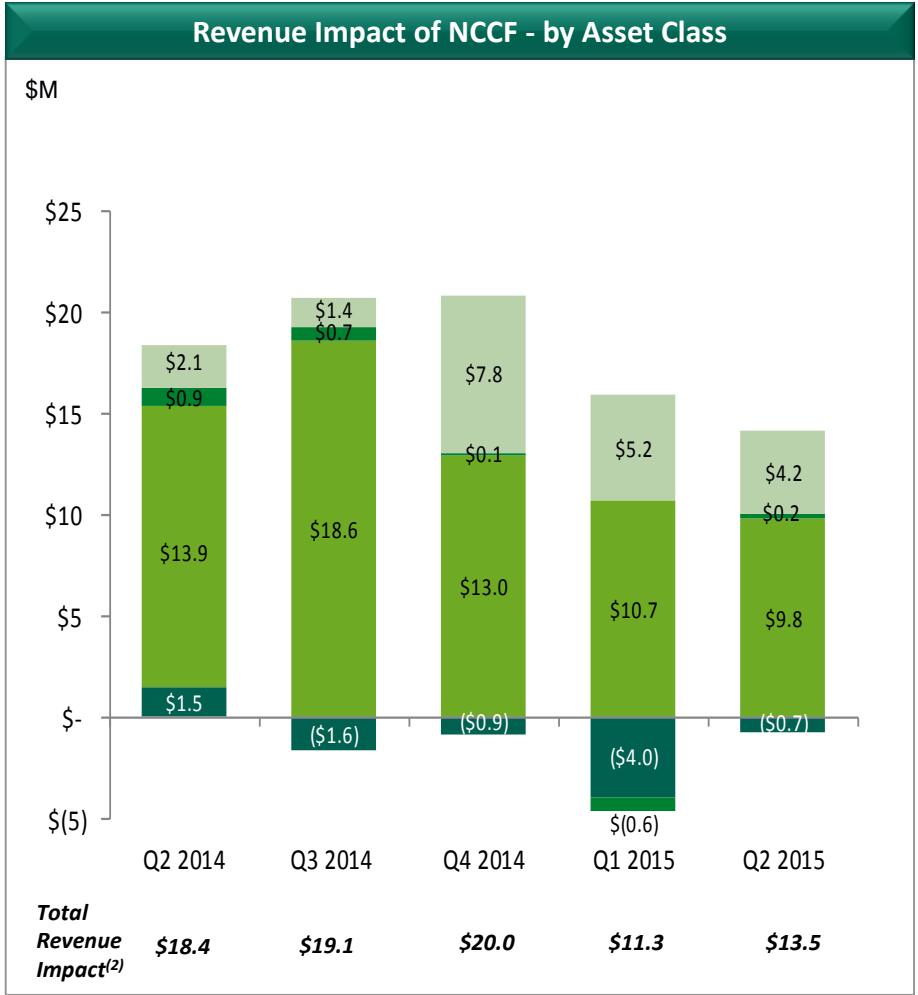
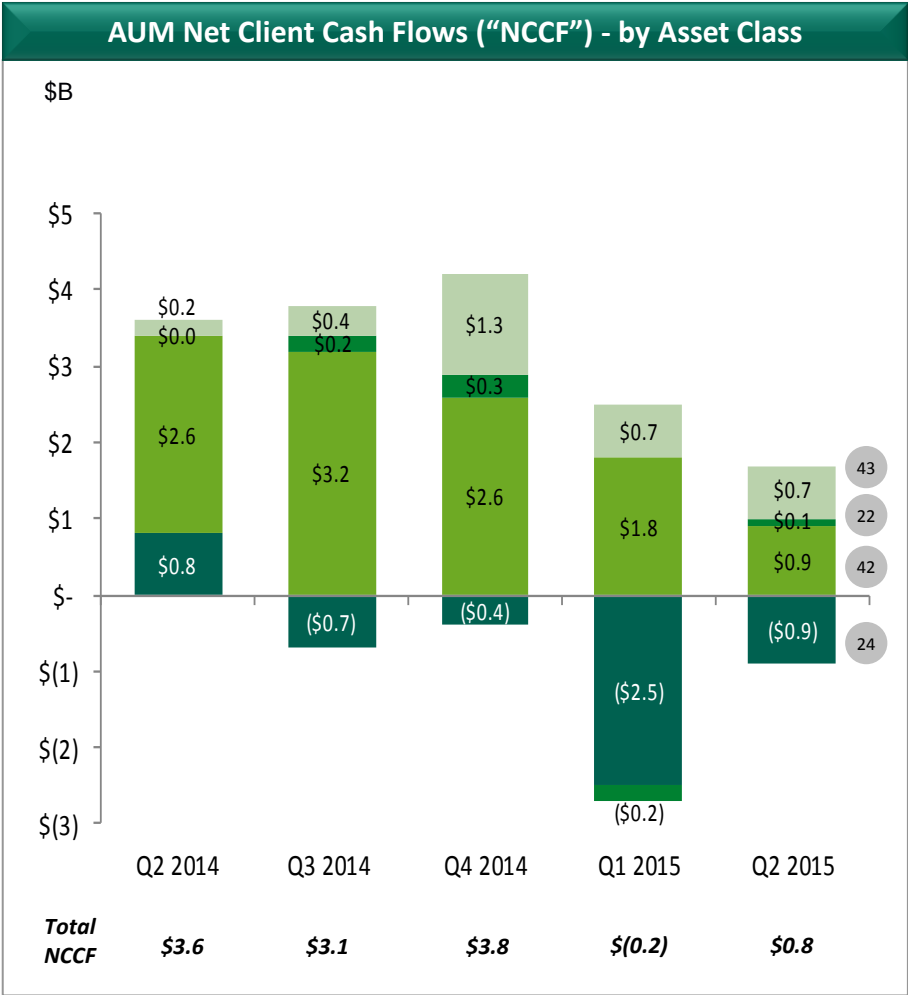
Net Client Cash Flows and Revenue Impact



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

(2) Derived Average Weighted NCCF reflects the implied NCCF if annualized revenue represents asset flows at the weighted fee rate for OMAM overall (ie 34.3 bps in Q2'15). For example, NCCF annualized revenue impact of \$13.5m divided by average weighted fee rate of OMAM's overall AUM of 34.3 bps equals the derived average weighted NCCF of \$3.9b.

Net Client Cash Flows Breakdown



■ U.S. Equity
 ■ Global/non-U.S. Equity
 ■ Fixed Income
 ■ Alternative, Real Estate & Timber
 ● Avg. Fee Rate (bps)⁽¹⁾

(1) Average fee rate represents the average blended fee rate on overall assets for each asset class for the three months ended June 30, 2015.
 (2) Annualized revenue impact of net flows represents the difference between annualized management fees expected to be earned on new accounts and net assets contributed to existing accounts, less the annualized management fees lost on terminated accounts or net assets withdrawn from existing accounts, including equity-accounted Affiliates. Annualized revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained in the account in the event of a positive flow or the net assets lost in the account in the event of an outflow.

Competitive Investment Performance

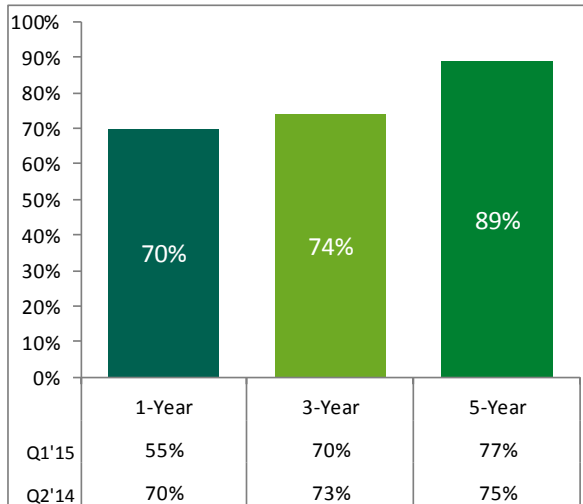
Products representing $\geq 70\%$ of revenue outperforming on a 1-, 3- and 5-year basis

Commentary

- OMAM uses **revenue-weighted** performance as its primary investment metric
 - Ties investment performance to business performance
 - Reflects percent of management fee revenue in products outperforming their benchmarks ⁽¹⁾
- OMAM also uses **equal-weighted** performance as it considers earlier stage products that may grow to have significant impact
- **Asset-weighted** performance is broadly used across the industry

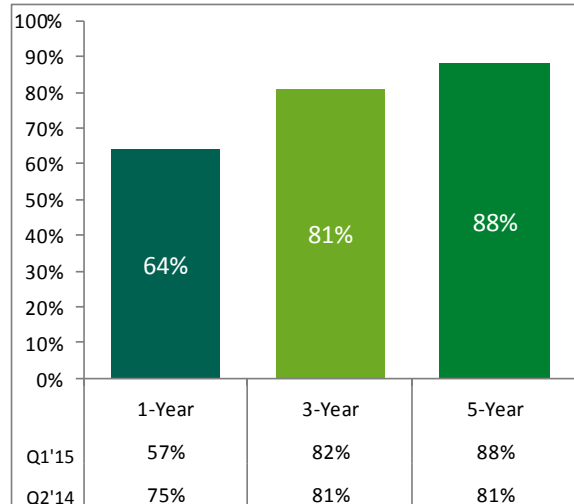
Revenue-Weighted ⁽²⁾⁽³⁾⁽⁶⁾

% outperformance vs. benchmark



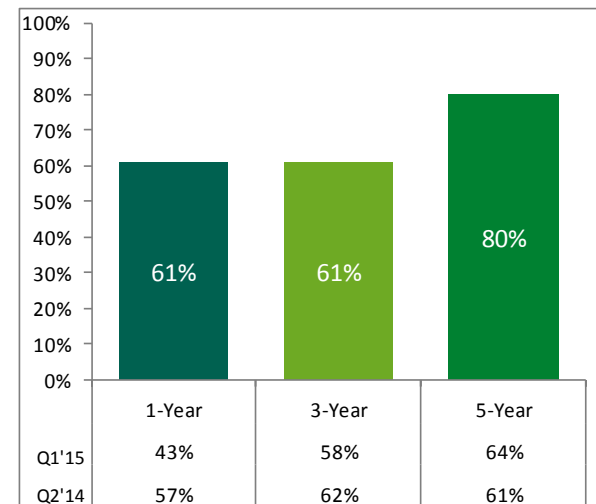
Equal-Weighted (>\$100m) ⁽²⁾⁽⁴⁾⁽⁶⁾

% outperformance vs. benchmark



Asset-Weighted ⁽²⁾⁽⁵⁾⁽⁶⁾

% outperformance vs. benchmark



(1) Excludes revenue in products which are not benchmarked; includes management fee revenue from equity-accounted Affiliates in the analysis.

(2) Data as of June 30, 2015.

(3) Revenue-Weighted: 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 strategies outperforming.

(4) Equal-Weighted (>\$100m): Each strategy over \$100m has the same weight, then sums the total percentage of strategies outperforming.

(5) Asset-Weighted: Calculates each strategy's percentage weight by taking its composite AUM over total composite AUM in each period, then sums the total percentage of strategies outperforming.

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

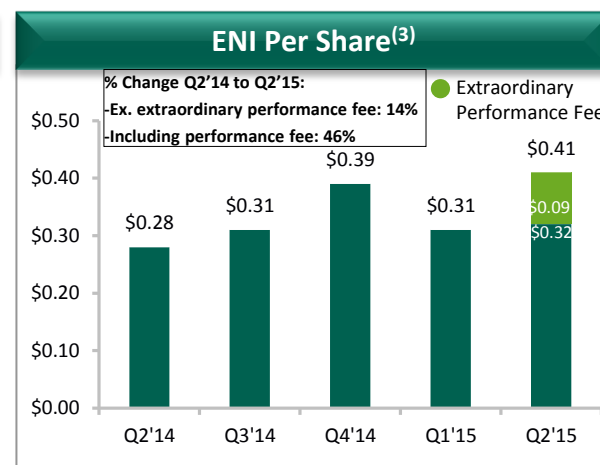
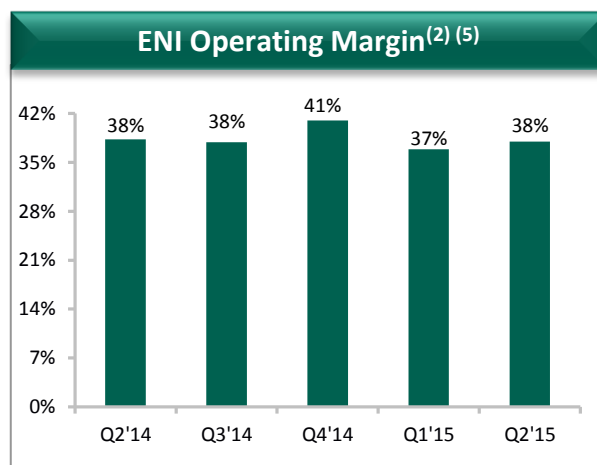
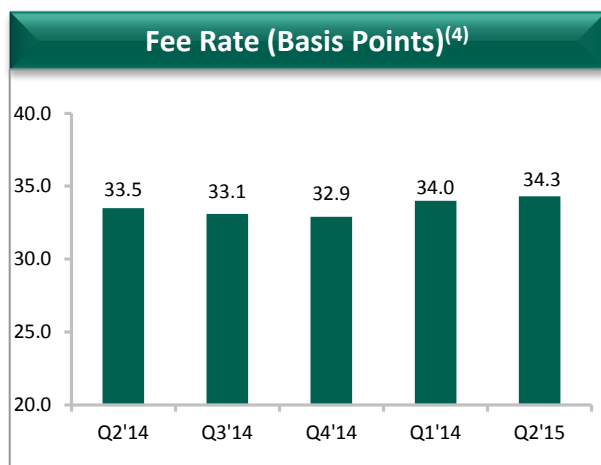
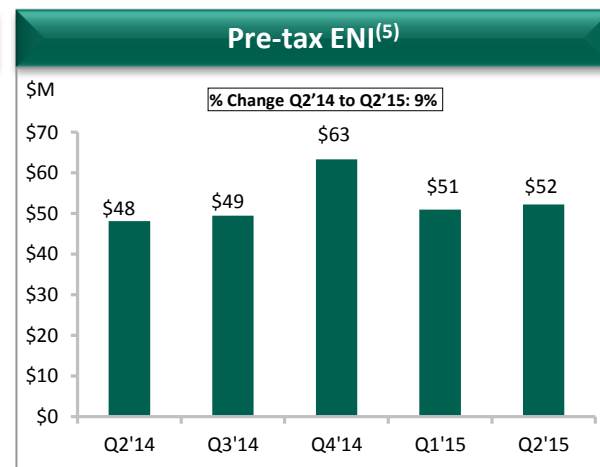
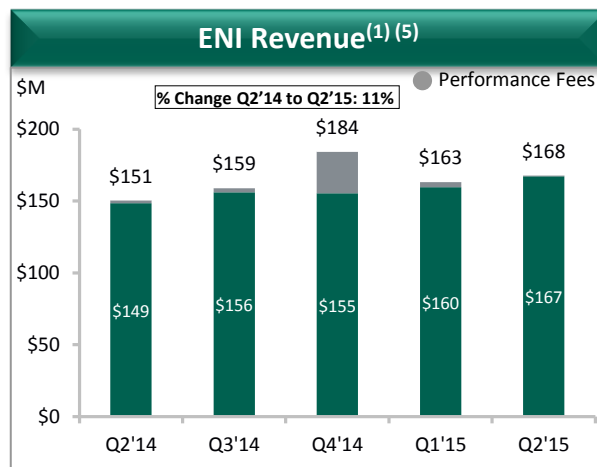
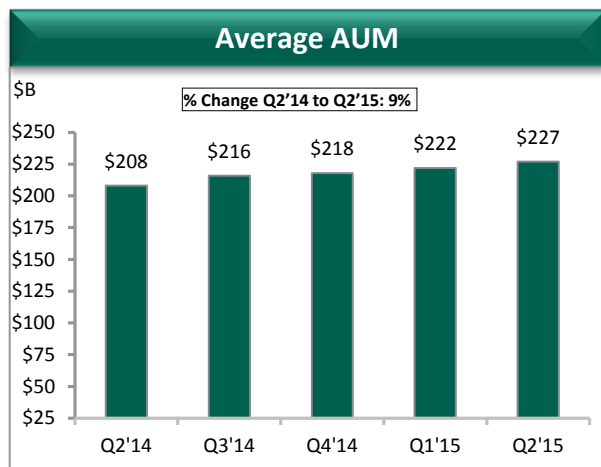
Financial Highlights – Q2 2015

- Q2'15 Economic Net Income (excluding extraordinary performance fee) up 11% to \$38 million from \$34 million in Q2'14
 - Positive impact of higher management fees and lower effective tax rate, partially offset by public company expense and increases in general and administrative expenses
- ENI Revenue increase of 12% to \$168 million⁽¹⁾ from \$151 million in Q2'14
 - Average asset increase of approximately 9% drives a 12% rise in management fees to \$165 million for Q2'15
 - Increase of Q2'15 asset yield to 34.3 bps driven by flows and market appreciation in higher yielding assets
- Expense growth of 13% to \$105 million from \$93 million in Q2'14 impacted by sales based compensation and public company expense
 - Core operating expenses up 10% to \$54 million (excludes sales based compensation and public company expense)
 - Variable compensation up 7% to \$44 million⁽¹⁾, falling to 41% of earnings before variable compensation
 - Total public company expense (including operating and variable comp) of approximately \$2.8 million in Q2
 - Key ENI expense ratios in line with expectations⁽¹⁾
- ENI Operating margin (before Affiliate key employee distributions) of 37.5%⁽¹⁾ slightly reduced from 38.3% in year ago quarter
 - Public company expenses negatively impact operating margin by approximately 1.7% in Q2
- Adjusted EBITDA (excluding extraordinary performance fee) rises 10% to \$54.4 million from \$49.6 million in Q2'14
- Revolving credit facility debt of \$145 million at June 30 represents 0.6x Adjusted LTM EBITDA

Please see definitions and additional notes.

(1) Excludes impact of extraordinary performance fee.

Quarterly AUM Growth and Higher Fee Rates Drive Increases in Revenue and Profit



(1) ENI Revenue consists of management fees, performance fees, and other income, which primarily consists of earnings of our equity-accounted Affiliates.

(2) ENI Operating Margin represents ENI operating margin before Affiliate key employee distributions. This is a non-GAAP efficiency measure, calculated based on earnings after variable compensation divided by ENI Revenue.

(3) ENI per share is calculated as Economic Net Income divided by total diluted shares outstanding. ENI per share reflects pro forma shares outstanding in periods prior to Q4'14.

(4) Includes fees for Equity-Accounted Affiliates.

(5) Excludes impact of extraordinary performance fee.

Key Drivers of Financial Performance

Economic Net Income (“ENI”) reflects the underlying economic earnings of the business

Financial Highlights ⁽¹⁾

	Three Months Ended		Six Months Ended		Q-O-Q Growth	P-O-P Growth
	June 30,		June 30,			
\$M	2015	2014	2015	2014		
1 Management fees	\$164.9	\$147.0	\$321.8	\$285.6	12.2%	12.7%
Performance fees	0.5	2.0	4.1	2.4	-75.0%	70.8%
Other income, incl. equity-accounted Affiliates	2.4	1.5	5.2	4.0	60.0%	30.0%
Total ENI revenue	167.8	150.5	331.1	292.0	11.5%	13.4%
2 Less: Total ENI operating expenses	(61.1)	(51.9)	(120.6)	(103.1)	17.7%	17.0%
Earnings before variable compensation	106.7	98.6	210.5	188.9	8.2%	11.4%
3 Less: Variable compensation	(43.7)	(41.0)	(87.1)	(80.2)	6.6%	8.6%
Earnings after variable compensation	63.0	57.6	123.4	108.7	9.4%	13.5%
Operating Margin	38%	38%	37%	37%		
4 Less: Affiliate key employee distributions	(10.2)	(9.5)	(18.7)	(17.6)	7.4%	6.3%
Earnings after Affiliate key employee distributions	52.8	48.1	104.7	91.1	9.8%	14.9%
Net interest (expense) income	(0.6)	-	(1.5)	0.1	n/m	n/m
Pre-tax economic net income	52.2	48.1	103.2	91.2	8.5%	13.2%
Economic net income, excluding extraordinary performance fee	\$38.0	\$34.1	\$75.3	\$66.6	11.4%	13.1%
Add: Extraordinary performance fee, net	11.4	-	11.4	-	n/m	n/m
Economic net income	\$49.4	\$34.1	\$86.7	\$66.6	44.9%	30.2%

Attractive revenue growth:
High quality, recurring management fees

Expense control: Scale benefits in operating expenses and variable compensation offset by public company expenses

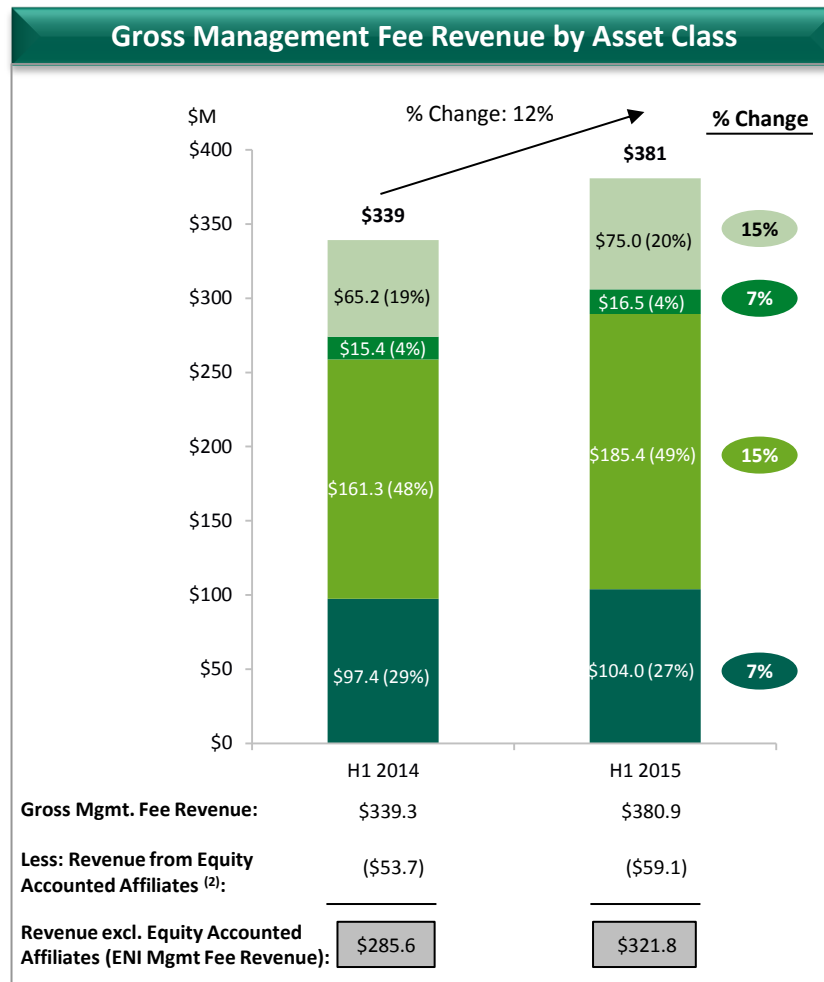
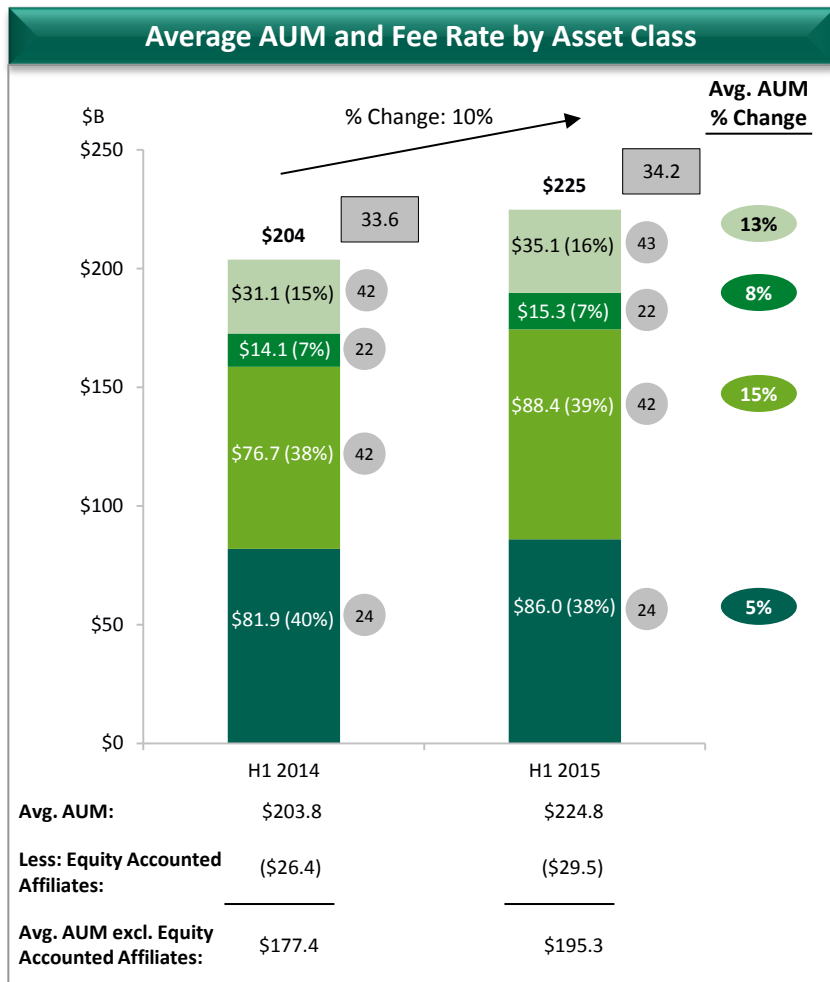
Affiliate equityization complete: Benefit from repurchase of Affiliate equity in Q4'14

Lower tax rate: Estimated to be 27-30%

Extraordinary performance fee: Related to certain alternative assets

(1) See slide 18 for a reconciliation of GAAP to ENI.

1 Management Fee Growth Driven by Higher Fee Global/Non-U.S. Assets and Alternatives⁽¹⁾



■ U.S. Equity ■ Global/non-U.S. Equity ■ Fixed Income ■ Alternative, Real Estate & Timber ● Avg. Fee Rate (bps)

(1) Figures in parenthesis represent the percent of the total respective bar.

(2) Equity-Accounted Affiliates' net revenue included in other income.

2 Moderate Core Expense Growth Creates Operating Leverage in Business

Commentary

- Total ENI operating expenses reflect Affiliate operating expenses, Center expenses including public company expenses, and key initiatives, including Global Distribution (excluding variable compensation)
- Q2'15 core operating expense ratio at 32.7% of management fees is improved from the year-ago period, while sales based compensation continues to grow, reflecting multi-year payout pattern
- Public company operating expense of \$1.9 million in Q2'15 likely to approximate +\$6 million annual level in 2015

Total ENI Operating Expenses

	Q2'15		Q2'14		Q-O-Q Q2'15 vs. Q2'14	H1'15		H1'14		P-O-P 2015 vs. 2014
	\$M	% of MFs ⁽¹⁾	\$M	% of MFs ⁽¹⁾		\$M	% of MFs ⁽¹⁾	\$M	% of MFs ⁽¹⁾	
Fixed compensation and benefits	\$31.2	18.9%	\$29.2	19.9%	7%	\$64.4	20.0%	\$59.5	20.8%	8%
G&A expenses (excl. sales based compensation)	21.1	12.8%	18.1	12.3%	17%	39.7	12.3%	34.2	12.0%	16%
Depreciation and amortization	1.6	1.0%	1.5	1.0%	7%	3.2	1.0%	2.9	1.0%	10%
Core operating expense subtotal	\$53.9	32.7%	\$48.8	33.2%	10%	\$107.3	33.3%	\$96.6	33.8%	11%
Sales based compensation	5.3	3.2%	3.1	2.1%	71%	9.9	3.1%	6.5	2.3%	52%
Public company operating expenses	1.9	1.2%	-	-	N/A	3.4	1.1%	-	-	N/A
Total ENI operating expenses	\$61.1	37.1%	\$51.9	35.3%	18%	\$120.6	37.5%	\$103.1	36.1%	17%

(1) Represents Management Fee Revenue.

3 Variable Compensation Scalable as the Business Grows

Commentary

- Variable compensation typically awarded based on contractual percentage (e.g., ~25 – 30%) of each Affiliate’s ENI earnings before variable compensation, plus Center bonuses
 - Affiliate variable compensation includes cash and equity provided through recycling
 - Center variable compensation includes cash and OMAM equity
- Lower Q2’15 Variable Compensation Ratio v. Q2’14 reflects enhanced scale at Center and certain Affiliates, offset by public company-related variable compensation
- Public company related variable compensation of approximately \$0.9 million in Q2; likely to have a full-year 2015 impact of approximately \$3 million related to new hires and 2015 – 2017 LTIP

Variable Compensation

\$M			Q-O-Q			P-O-P
	Q2’15	Q2’14	Q2’15 vs. Q2’14	H1’15	H1’14	2015 vs. 2014
Cash variable compensation	\$37.9	\$35.8	5.9%	\$76.3	\$71.5	6.7%
Add: Non-cash equity-based award amortization	5.8	5.2	11.5%	10.8	8.7	24.1%
Variable compensation	\$43.7	\$41.0	6.6%	\$87.1	\$80.2	8.6%
Earnings before variable compensation	\$106.7	\$98.6	8.2%	\$210.5	\$188.9	11.4%
<i>Variable Compensation Ratio (VC as % of earnings before variable comp.)</i>	41.0%	41.6%	-63 bps	41.4%	42.5%	-108 bps
Note: Public company related variable compensation (included above):	0.9	-	N/A	1.3	-	N/A

Please see definitions and additional notes.

4 Affiliate Key Employee Distributions Typically Will Grow In-Line With the Business

Commentary

- Represents employees' share of profit from their respective Affiliates, ranging from 15 – 35%, in some cases following an initial preference to OMAM⁽¹⁾
- Employee ownership levels projected to remain stable following the purchase and sale of certain Affiliate equity positions in 2014
- Employee distributions as a percentage of earnings after variable compensation in line with expectations in Q2'15, while half year ratio unusually low due to allocation of Q1'15 performance fees; full year ratio expected to be in line with previous expectation of approximately 16%

Affiliate Key Employee Distributions

\$M	Q2'15	Q2'14	Q-O-Q		P-O-P	
			Q2'15 vs. Q2'14	H1'15	H1'14	2015 vs. 2014
A Earnings after variable compensation	\$63.0	\$57.6	9.4%	\$123.4	\$108.7	13.5%
B Less: Affiliate key employee distributions	(10.2)	(9.5)	7.4%	(18.7)	(17.6)	6.3%
Earnings after Affiliate key employee distributions	\$52.8	\$48.1	9.8%	\$104.7	\$91.1	14.9%
Affiliate key employee distributions as % of earnings after variable comp. ("Distribution Ratio") (B / A)	16.2%	16.5%	-30 bps	15.2%	16.2%	-104 bps

(1) For consolidated Affiliates

Balance Sheet Can Be Leveraged To Grow Business

- New fund consolidation guidance adopted by OMAM in 2015 results in removal of Consolidated Funds from GAAP balance sheet and income statement

Balance Sheet

(\$M)	June 30, 2015		December 31, 2014	
	(U.S. GAAP)	Excluding Consolidated Funds (Non-GAAP)	Including Consolidated Funds (U.S. GAAP)	
Assets				
Cash and cash equivalents	\$ 178.3	\$ 175.6	\$ 175.6	
Investment advisory fees receivable	146.9	165.1	161.1	
Investments	158.1	149.3	149.3	
Other assets	496.0	503.2	503.2	
Assets of Consolidated Funds	-	-	6,783.7	
Total assets	\$ 979.3	\$ 993.2	\$ 7,772.9	
Liabilities and shareholders' equity				
Accounts payable and accrued expenses	\$ 145.8	\$ 171.6	\$ 171.6	
Due to related parties	263.2	289.9	289.9	
Notes payable to related parties	-	37.0	37.0	
Third party borrowings	145.0	177.0	177.0	
Other liabilities	319.2	281.2	281.2	
Liabilities of Consolidated Funds	-	-	4,258.8	
Total liabilities	873.2	956.7	5,215.5	
Total equity	106.1	36.5	2,557.4	
Total liabilities and equity	\$ 979.3	\$ 993.2	\$ 7,772.9	
Shares outstanding:				
Basic	120.0	120.0	120.0	
Diluted ⁽¹⁾	120.5	120.0	120.0	

Capital

- In H1, repaid \$37 million Notes payable to related parties and \$32 million drawn on revolving credit facility
- \$145 million currently drawn on OMAM's \$350 million revolving credit facility
- Leverage ratio (Debt / EBITDA) of 0.6x well below 3.0x covenant limit
- \$146 million seed capital pool provided by Old Mutual plc—off balance sheet to OMAM

Dividend

- \$0.08 per share interim dividend approved
- Payable September 30 to shareholders of record as of September 11
- Reflects 25% payout rate
- Dividends expected to be paid at the end of each quarter

Please see definitions and additional notes.

(1) Diluted shares expected to be approximately 120.6 million for Q3-Q4 2015, assuming no issuance of primary equity.

Appendix

Reconciliation: GAAP to ENI and Adjusted EBITDA

\$m	Three Months Ended, June 30,		Six Months Ended, June 30,	
	2015	2014	2015	2014
U.S. GAAP net income attributable to controlling interests	\$49.4	\$8.8	\$83.6	\$19.1
<i>Adjustments for restructuring & reorganization related to IPO:</i>				
1 Non-cash notional parent corporate cost allocation	-	0.8	-	1.6
2 Intercompany interest expense	-	16.8	-	33.2
3 Co-investment (gain) ⁽¹⁾	-	(1.3)	-	(2.1)
Total restructuring and reorganization adjustments	\$0.0	\$16.3	\$0.0	\$32.7
<i>Adjustments to reflect the economic earnings of the Company:</i>				
4 Key employee-owned equity and profit interest revaluations ⁽¹⁾	6.5	9.5	11.3	16.9
5 Amortization of goodwill and acquired intangibles ⁽¹⁾	0.1	0.1	0.1	0.1
6 Discontinued operations and restructuring costs	(0.7)	5.2	(0.9)	6.2
Total adjustment to reflect earnings of the Company	\$5.9	\$14.8	\$10.5	\$23.2
Less: Tax effect of above adjustments ⁽¹⁾	(2.7)	(4.1)	(4.6)	(6.7)
7 Less: ENI tax normalization	(3.2)	(1.7)	(2.8)	(1.7)
Economic net income (including extraordinary performance fee)	\$49.4	\$34.1	\$86.7	\$66.6
Extraordinary performance fee	(11.4)	-	(11.4)	-
Economic net income excluding extraordinary performance fee	\$38.0	\$34.1	\$75.3	\$66.6
Net interest (income) expense	0.6	-	1.5	(0.1)
Depreciation and amortization	1.6	1.5	3.2	2.9
Tax on Economic Net Income	14.2	14.0	27.9	24.6
Adjusted EBITDA excluding extraordinary performance fee	\$54.4	\$49.6	\$107.9	\$94.0

ENI Adjustments	
1	Exclude notional non-cash corporate cost allocations
2	Exclude interest expense historically paid to OM plc as the related debt was restructured in connection with the Offering and thereafter has been eliminated from consolidated results
3	Exclude historical mark-to-market co-investment gains and losses as co-investments and ongoing returns have been wholly allocated to OM plc in connection with the Offering
4	Exclude non-cash expenses representing changes in the value of Affiliate equity and profit interests held by Affiliate key employees
5	Exclude amortization or impairment expenses related to acquired goodwill and other intangibles as they represent non-cash charges that do not result in an outflow of tangible economic benefits from the business
6	Exclude results of discontinued operations attributable to controlling interests as they are not part of the ongoing business, and restructuring costs incurred in continuing operations which represent an exit from a distinct product or line of business
7	Exclude one-off tax benefits or costs unrelated to current operations

(1) Tax-affected items for which adjustments are included in "Tax effect of above adjustments" line; taxed at 40.2% U.S. statutory rate (including state tax).

Definitions and Additional Notes

References to “OMAM” or the “Company” refer to OM Asset Management plc; references to the “Parent” or “Old Mutual” refer to Old Mutual plc; references to the “Offering” refer to the Company’s initial public offering dated October 8, 2014 and references to the “Prospectus” refer to the Company’s Prospectus dated as of that date; references to the “Reorganization” refer to the steps taken by OMAM’s Parent prior to the Offering to reorganize the ownership of the business, as described in the Company’s Prospectus.

Economic Net Income

The Company uses a non-GAAP performance measure referred to as economic net income (“ENI”) to represent its view of the underlying economic earnings of the business. ENI is used to make resource allocation decisions, determine appropriate levels of investment or dividend payout, manage balance sheet leverage, determine Affiliate variable compensation and equity distributions, and incentivize management. The Company’s ENI adjustments to U.S. GAAP include both reclassifications of U.S. GAAP revenue and expense items, as well as adjustments to U.S. GAAP results, primarily to exclude non-cash, non-economic expenses, or to reflect cash benefits not recognized under U.S. GAAP.

The Company re-categorizes certain line items on the income statement to:

- exclude the effect of Fund consolidation by removing the portion of Fund revenues, expenses and investment return which is not attributable to its shareholders;
- include within management fee revenue any fees paid to Affiliates by Consolidated Funds, which are viewed as investment income under U.S. GAAP;
- include the Company’s share of earnings from equity-accounted Affiliates within other income, rather than investment income;
- treat sales-based compensation as a general and administrative expense, rather than part of fixed compensation and benefits;
- identify separately, the fixed and variable components of compensation and benefits expense; and
- identify separately as Affiliate distributions the component of U.S. GAAP compensation that represents earnings shared with Affiliate key employee equity and profit-interest holders.

To reflect the Reorganization which took place at the time of the Offering, the Company has excluded:

- i. notional corporate cost allocations which are non-cash expenses that will not recur following the Offering;
- ii. interest expense historically paid to the Parent, as the related debt was restructured in connection with the Offering and has been eliminated from consolidated results; and
- iii. historic mark-to-market co-investment gains and losses, because these investments and ongoing returns thereon have been allocated wholly to Old Mutual plc in connection with the Offering.

The Company also makes the following adjustments to U.S. GAAP results to more closely reflect its economic results by excluding:

- iv. non-cash expenses representing changes in the value of Affiliate equity and profit interests held by Affiliate key employees. These ownerships interests may in certain circumstances be repurchased by OMAM 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 OMAM 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.
- v. 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.
- vi. the results of discontinued operations attributable to controlling interests since they are not part of the Company’s ongoing business, and restructuring costs incurred in continuing operations which represent an exit from a distinct product or line of business.
- vii. deferred tax resulting from changes in tax law and expiration of statutes, adjustments for uncertain tax positions, deferred tax attributable to intangible assets and other unusual items not related to current operating results to reflect ENI tax normalization.

The Company adjusts its income tax expense to reflect any tax impact of its ENI adjustments. Please see Slide 18 for a reconciliation of net income attributable to controlling interests to economic net income.

Adjusted EBITDA

Adjusted EBITDA is defined as economic net income before interest, income taxes, depreciation and amortization. The Company notes that its calculation of Adjusted EBITDA may not be consistent with Adjusted EBITDA as calculated by other companies. The Company believes Adjusted EBITDA is a useful liquidity metric because it indicates the Company’s ability to make further investments in its business, service debt and meet working capital requirements. Please see Slide 18 for a reconciliation of economic net income to Adjusted EBITDA.

Definitions and Additional Notes

Methodologies for calculating investment performance:

Revenue-weighted investment performance measures the percentage of management fee revenue generated by Affiliate strategies which are beating benchmarks. It calculates each strategy's percentage weight by taking its estimated composite revenue over total composite revenues in each period, then sums the total percentage of revenue for strategies outperforming.

Equal-weighted investment performance measures the percentage of Affiliates' scale strategies (defined as strategies with greater than \$100 million of AUM) beating benchmarks. Each outperforming strategy over \$100 million has the same weight; the calculation sums the number of strategies outperforming relative to the total number of composites over \$100 million.

Asset-weighted investment performance measures the percentage of AUM in strategies beating benchmarks. It calculates each strategy's percentage weight by taking its composite AUM over total composite AUM in each period, then sums the total percentage of AUM for strategies outperforming.

ENI Operating Margin before Affiliate key employee distributions

ENI operating margin before Affiliate key employee distributions is a non-GAAP efficiency measure, calculated based on earnings after variable compensation divided by ENI revenue.

ENI Operating Margin after Affiliate key employee distributions

ENI operating margin after Affiliate key employee distributions is a non-GAAP efficiency measure, calculated based on earnings after Affiliate key employee distributions, divided by ENI revenue.

U.S. GAAP operating margin

U.S. GAAP operating margin equals operating income (loss) from continuing operations divided by total revenue.

Consolidated Funds

Prior to January 1, 2015, financial information presented in accordance with U.S. GAAP includes the results of consolidated pooled investment vehicles, or Funds, managed by our Affiliates, where it has been determined that these entities are controlled by the Company. Financial results which are "attributable to controlling interests" exclude the impact of Funds which are not attributable to our shareholders.

Annualized Revenue Impact of Net Flows (NCCF)

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

Hard asset disposals

Net flows include hard asset disposals made by OMAM's Affiliates. This category is made up of investment-driven asset dispositions made by Heitman, a real estate manager, or Campbell, a timber manager.

Derived Average Weighted NCCF

Derived Average Weighted NCCF reflects the implied NCCF if annualized revenue represents asset flows at the weighted fee rate for OMAM overall (ie 34.3bps in Q215). For example, NCCF annualized revenue impact of \$13.5m divided by average weighted fee rate of OMAM's overall AUM of 34.3bps equals the derived average weighted NCCF of \$3.9b.