

## Risk Factors Comparison 2024-02-16 to 2023-02-17 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

We and our Affiliates face a variety of risks that are substantial and inherent in our businesses. The following are some of the more important factors that could affect our and our Affiliates' businesses. **Investors should carefully consider these risks, along with the other information contained in this Annual Report on Form 10-K, before making an investment decision regarding our common stock or other publicly-listed securities. There may be additional risks of which we are currently unaware, or which we currently consider immaterial. Any of these risks could have a material adverse effect on our financial condition, results of operations, and the market price of our common stock.** Certain statements in "Risk Factors" are forward-looking statements. See "Forward-Looking Statements." **RISKS RELATED TO OUR INDUSTRY, BUSINESS AND OPERATIONS** Our financial results depend on our Affiliates' receipt of asset- and performance- based fees, and are impacted by investment performance, as well as changes in fee levels, product mix, and the relative levels of assets under management among our Affiliates. Our financial results depend on our Affiliates' receipt of asset- and performance- based fees, which may vary substantially from year to year. Our Affiliates' ability to maintain current fee levels depends on a number of factors, including our Affiliates' investment performance, as well as competition and trends in the investment management industry, such as investor demand for passively- managed products, including **index and** exchange traded funds, that typically carry lower fee rates, or preferences for other developing strategies or trends. Further, different types of assets under management can generate different ratios of asset- based fees to assets under management ("asset- based fee ratio"), based on factors such as the investment strategy and the type of client. Thus, a change in the composition of our assets under management, either within an Affiliate or among our Affiliates, could result in a decrease in our aggregate fees even if our aggregate assets under management remains unchanged or increases. Products that use fee structures based on investment performance may also vary significantly from period to period, depending on the investment performance of the particular product. For some of our Affiliates, performance- based fees include a high- watermark provision, which generally provides that if a product underperforms on an absolute basis or relative to its benchmark, it must regain such underperformance before the Affiliate will earn any performance- based fees. In addition, in the ordinary course of business, our Affiliates may reduce or waive fees on certain products for particular time periods, to attract or retain assets or for other reasons. No assurances can be given that our Affiliates will be able to maintain current fee structures or levels. A reduction in the fees that our Affiliates receive could have an adverse impact on our financial condition and results of operations. Additionally, our structured partnership interests are tailored to meet the needs of each Affiliate and are therefore varied, and our earnings may be adversely affected by changes in the relative performance or in the relative levels and mix of assets under management among our Affiliates, independent of our aggregate operating performance measures. **Challenging market conditions, volatility or slowdowns affecting a particular asset class, client type, product structure, geographic region, industry or other category of investment could have a significant adverse impact on a specific Affiliate if its investments are concentrated in that area, which could result in lower investment returns and in turn, lower fees earned at that Affiliate.** Further, certain Affiliates contribute more significantly to our results than other Affiliates and, therefore, changes in fee levels, product mix, assets under management, or investment performance of such Affiliates could have a disproportionate adverse impact on our financial condition and results of operations. Our financial results could be adversely affected by any reduction in our assets under management, which could reduce the asset- and performance- based fees earned by our Affiliates. Our financial results may be impacted by changes in the total level of our assets under management. The total level of our assets under management generally or with respect to particular products or Affiliates could be adversely affected by conditions outside of our control, including: • a decline in the market value of our assets under management, due to declines or heightened volatility in the capital markets, fluctuations in foreign currency exchange rates and interest rates, the ~~current~~ **recent** inflationary environment, changes in the yield curve, and other market factors; • changes in investor risk tolerance or investment preferences, which could result in investor allocations away from strategies and products offered by our Affiliates; • our Affiliates' ability to attract and retain client assets and market products and services, which may be impacted by investment performance, client relationships, demand for product and service offerings, their continued development of products to meet the changing demands of investors, and the prices of securities generally; • global economic conditions, which may be exacerbated by changes in the equity or debt markets, **including impacts from monetary policies of the U. S. Federal Reserve Bank and other global central banks in response to inflation, or instability and liquidity issues in the financial system generally**; • financial crises, political or diplomatic developments in the U. S. or globally, including rising trade tensions between the U. S. and China, pandemics or other public health crises, ~~such as a potential resurgence of COVID-19 or another similar highly infectious or contagious disease,~~ trade wars, social or civil unrest, insurrection, war, ~~including the ongoing conflict between Russia and Ukraine which has significantly impacted the global economy and financial markets,~~ terrorism, natural disasters, or risks associated with global climate change; and • other factors that are difficult to predict. A reduction in our assets under management could adversely affect the fees payable to our Affiliates and, ultimately, our financial condition and results of operations. **To the extent any of these conditions or factors adversely affect our or our Affiliates' operations or global economic conditions generally, they may also have the effect of heightening other risks described below.** If our or our Affiliates' reputations are harmed, we could suffer losses in our business and financial results. The success of our business depends on earning and maintaining the trust and confidence of our Affiliates and our stockholders, our ability to compete for future investment opportunities, and our and our Affiliates' reputations among existing and potential clients. Our and our Affiliates' reputations are critical to our business and

could be impacted by events that may be difficult or impossible to control, and costly or impossible to remediate, including: • alleged or actual failures by us, our Affiliates or our respective employees to comply with applicable laws, rules or regulations; • errors in our public reports; • **cyber- attack or data breach incidents**; • fund liquidity or valuation issues including with respect to **non- traded**, illiquid assets within **private markets funds or products** of certain of our Affiliates; • **cyber- attack or data breach incidents**, or any threatened or actual litigation against us, any of our Affiliates or our respective employees; • **or a perceived or actual conflict between us and any of our Affiliates or among our Affiliates**. Further; • **negative perceptions of our or certain of our Affiliates' investments or business practices by stakeholder groups who have increasingly expressed divergent views on a range of environmental, social, and governance (" ESG ") matters**; • **and our or or certain of other events and factors that are difficult to predict including those that could impact our Affiliates' related investments ability to compete effectively with other firms, or our business practices could be perceived negatively ability to successfully pursue our growth strategy, and other risks described elsewhere in this " Risk Factors " section**. Any of the foregoing events, or the public announcement and potential publicity surrounding these issues, even if inaccurate, satisfactorily addressed, or if no violation or wrongdoing actually occurred, could adversely impact our Affiliates' reputations and their relationships with clients, our relationships with our Affiliates, and our ability to negotiate agreements with new independent investment firms, any of which could have an adverse effect on our reputation, our financial condition and results of operations, or the market price of our common stock. The investment management industry is highly competitive. Our Affiliates compete with numerous investment management firms globally, including public, private and client- owned investment advisers; firms managing passively- managed products, including exchange traded funds; firms associated with securities broker- dealers, financial institutions, insurance companies, private equity firms, sovereign wealth funds; and other entities. These firms may have significantly greater financial, technological, and marketing resources, captive distribution and assets under management, and many of these firms **may offer an even broader array of products and services that our Affiliates may not in particular investment strategies**. These firms may also compete by seeking to capitalize on a trend towards institutions consolidating the number of investment managers they work with. Competition from these firms may reduce the fees that our Affiliates can obtain for investment management services, or could impair our Affiliates' ability to attract and retain client assets, **and any failure by our Affiliates to successfully develop competing new products and services, or effectively manage the associated operational risks, could harm our Affiliates' reputations and expose them to additional costs or regulatory scrutiny, which could adversely affect our assets under management, financial condition and results of operations**. We believe that our Affiliates' ability to compete effectively with other firms depends upon the performance of our Affiliates' investment strategies, the applicability of products to meet client objectives and preferences, and the continued development of strategies and products to meet the evolving needs and demands of investors, as well as our Affiliates' reputations, client relationships, fee structures, client- servicing capabilities, and the marketing and distribution of their investment strategies, among other factors. See " Competition " in Item 1. Our Affiliates may not compare favorably with their competitors in any or all of these categories, **and technological developments, including financial applications and services based on artificial intelligence (" AI "), may over time reduce the demand for, or clients' willingness to pay for, certain products and services**. From time to time, our Affiliates may also compete with each other for clients **and investment opportunities**. Investment management contracts are subject to termination on short notice. Through our Affiliates, we derive almost all of our asset- and performance- based fees from clients pursuant to investment management contracts. While certain of our Affiliates' private equity and alternative products have long- term commitment periods, many of our Affiliates' investment management contracts are terminable by the client without penalty upon relatively short notice (typically not longer than 60 days). We cannot be certain that our Affiliates will be able to retain their existing clients or attract new clients. If our Affiliates' clients terminate their investment management contracts or withdraw a substantial amount of assets, it is likely to harm our results of operations. In addition, investment management contracts with mutual funds or other similar products are subject to annual approval by the fund' s board of directors. **Valuation methodologies for assets within private markets funds, liquid alternatives, and similar products of certain of our Affiliates can be subject to significant subjectivity. Certain of our Affiliates offer private markets, liquid alternative, and other strategies that may invest in assets for which there may be no readily ascertainable market prices available on a regular basis or at all. In addition, many of these investments are, or may in the future be, concentrated in industries or sectors that could experience volatility or uncertainties, and may be subject to rapid changes in value caused by company- specific or industry- wide developments. The determination of the net asset values for these funds, therefore, takes a range of factors into consideration in applying valuation methodologies, and may reflect estimates or valuation models of independent third parties. These valuation methodologies require the use of estimates and assumptions, and involve a significant degree of judgment and, accordingly, the fair values of such investments reflected in a particular fund or product' s net asset value do not necessarily reflect the prices that would be obtained if the assets were to be liquidated on the date of the valuation, or on the date when an investor purchases, redeems or otherwise transacts in the fund or product, and may differ significantly from the prices obtained when such investments are ultimately realized. These factors could result in reduced earnings or losses for the applicable Affiliate, fund, or product, increase liquidity management risks for the fund or product, or result in difficulties in raising additional capital or launching similar products, any of which could have an adverse effect on our reputation, our financial condition and results of operations, or the market price of our common stock.** We may need to raise additional capital in the future, and existing or future resources may not be available to us in sufficient amounts or on acceptable terms. While we believe that our existing cash resources and cash flow from operations will be sufficient to meet our working capital needs for normal operations for the foreseeable future, our continuing acquisitions of interests in independent investment firms and our other strategic initiatives may require additional capital. Further, we have significant purchase obligations relating to Affiliate equity interests, **as well as commitments relating to general partner and seed capital investments**, and it is difficult to predict the frequency

and magnitude of these purchases **or associated capital calls**. As of December 31, ~~2022~~ **2023**, the current redemption value relating to Affiliate equity interests was \$ ~~489-447.9~~ **3** million, of which \$ ~~465-393.4~~ million was presented ~~within as~~ Redeemable non- controlling interests (including \$ ~~20-11.1~~ **8** million of consolidated Affiliate sponsored investment products primarily attributable to third- party investors), and \$ ~~24-53.5~~ **9** million was ~~presented as~~ **included in** Other liabilities. See “ Liquidity and Capital Resources- Affiliate Equity ” in Item 7 and Notes **16 and 17 of the Consolidated Financial Statements. Unfunded commitments relating to general partner and seed capital investments were \$ ~~18-187.2~~ million as of December 31, 2023. See Notes 3 and 7** of the Consolidated Financial Statements. These obligations may require more cash than is then available from our existing cash resources and cash flows from operations. Thus, we may need to raise capital through additional borrowings or by selling shares of our common stock or other equity or debt securities, or otherwise refinance a portion of these obligations. As of December 31, ~~2022~~ **2023**, we had outstanding debt of \$ 2. 6 billion. Our level of indebtedness may increase if we fund future investments or other expenses through borrowings . **We may also seek to refinance existing indebtedness for the purpose of managing maturity dates, to seek alternative financing terms or for other reasons, which may not be available on similar terms as our existing indebtedness, including with respect to interest rates**. Any additional indebtedness could increase our vulnerability to general adverse economic and industry conditions and may require us to dedicate a greater portion of our cash flows from operations to payments on our indebtedness. The financing activities described above could increase our Interest expense, decrease our Net income (controlling interest) or dilute the interests of our existing stockholders. In addition, our access to additional capital, and the cost of capital we are able to access, is influenced by a number of factors, including the state of global credit and equity markets, interest rates, credit spreads and our credit ratings. **As a result, we may be unable to enter into new credit facilities or issue debt or equity in the future on attractive terms, or at all.** We are **currently** rated A3 by Moody’ s Investors Service and BBB by S & P Global Ratings. A reduction in our credit ratings could also increase our borrowing costs under our credit facilities or, in certain cases, give rise to a termination right by the counterparty under our derivative financial instruments. **There can be no assurance that we will achieve a particular credit rating or maintain any particular rating in the future.** Our debt agreements impose certain covenants relating to the conduct of our business, including financial covenants under our credit facilities, any breach of which could result in the acceleration of the repayment of any amounts borrowed or outstanding thereunder. Our debt agreements contain customary affirmative operating covenants and negative covenants that, among other things, place certain limitations on our and our subsidiaries’ ability to incur debt, merge or transfer assets, and create liens and, in the case of our credit facilities, require us to maintain specified financial ratios, including a maximum leverage ratio and a minimum interest coverage ratio. The breach of any covenant (either due to our actions or omissions or, in the case of financial covenants, due to a significant and prolonged market- driven decline in our operating results) could result in a default under the applicable debt agreement and, in the case of our credit facilities, lenders could refuse to make further extensions of credit to us. Further, in the event of certain defaults, amounts borrowed under our debt agreements, together with accrued interest and other fees, could become immediately due and payable. If any indebtedness were to become subject to accelerated repayment, we may not have sufficient liquid assets to repay such indebtedness in full. We have substantial intangibles on our balance sheet, and any impairment of our intangibles could adversely affect our financial condition and results of operations. As of December 31, ~~2022~~ **2023**, our total assets were \$ ~~8-9.1~~ **1** billion, of which \$ 4. ~~5-3~~ billion were intangibles, and \$ 2. ~~1-3~~ billion were equity method investments in Affiliates, an amount primarily composed of intangible assets. We cannot be certain that we will realize the value of such intangible assets. Our intangible assets may become impaired as a result of any number of factors, including changes in market conditions, declines in the value of assets under management, client attrition, product performance, reductions in fee rates, and changes in strategic objectives or growth prospects of an Affiliate. An impairment of our intangible assets or an other- than-temporary decline in the value of our equity method investments could adversely affect our financial condition and results of operations. Determining the value of intangible assets, and evaluating them for impairment, requires management to exercise significant judgment. In recent periods, we have recorded expenses to reduce the carrying value to fair value of certain Affiliates and certain acquired client relationships, and may experience similar impairment events in future reporting periods. See “ Critical Accounting Estimates and Judgments ” in Item 7 and Notes **8 and 9 and 10** of the Consolidated Financial Statements. Market risk management activities may adversely affect our liquidity and results of operations. Cash management transactions, capital markets financings, and certain investments or other transactions may create exposure for us or our Affiliates to changes in interest rates, foreign currency exchange rates, marketable securities, and **financial markets generally**, which we or our Affiliates may seek to offset by entering into derivative financial instruments . ~~See Note 7 of the Consolidated Financial Statements.~~ The scope of these risk management activities is selective and varies based on the level and volatility of interest rates, foreign currency exchange rates, applicable marketable securities, and other changing market conditions. We and our Affiliates do not seek to hedge exposure to all market risks, which means that exposure to certain market risks is not limited. Further, the use of derivative financial instruments does not entirely eliminate the possibility of fluctuations in the value of the underlying position or prevent losses if the value of the position declines, and also can limit the opportunity for gain if the value of the position increases. There can be no assurance that our or our Affiliates’ derivative financial instruments will meet their overall objective or that we or our Affiliates will be successful in entering into such instruments in the future. Further, while hedging arrangements may reduce certain risks, such arrangements themselves may entail other risks, may generate significant transaction costs, and may require the posting of cash collateral. For example, if our or our Affiliates’ counterparties fail to honor their obligations in a timely manner, including any obligations to return posted collateral, our liquidity and results of operations could be adversely impacted. **RISKS RELATED TO OUR STRATEGY AND OUR STRUCTURED PARTNERSHIPS WITH AFFILIATES** Our growth strategy depends in part upon our ability to make investments in independent investment firms and to pursue other strategic partnerships. Our continued success in investing in independent investment firms will depend upon our ability to find suitable firms in which to invest or make additional investments in our

existing Affiliates, our ability to negotiate agreements with such firms on acceptable terms, maintaining our relationships with prospects and our reputation as a leading partner to these firms, and our ability to raise the capital necessary to finance such transactions. The market for acquisitions of interests in these firms is highly competitive. Many other public and private financial services companies, including commercial and investment banks, private equity firms, sovereign wealth funds, insurance companies, and investment management firms, also invest in independent investment firms and may have significantly greater resources than we do. In addition to direct competition on particular prospects, these firms can also negatively impact the volume and value of transactions more broadly. Further, our innovative partnership approach with our Affiliates is designed to enhance our Affiliates' ability to achieve their long- term strategic objectives, while preserving their **independence and autonomy, and, therefore, their** unique entrepreneurial **and investment- centric** cultures, ~~investment independence, and operational autonomy in managing their businesses~~, and the management of some target firms may prefer terms and structures offered by our competitors. We may not be successful in making investments in new firms or maintaining existing investments, and any firms that we do invest in may not have favorable results or performance following our initial investment or any subsequent investment, which could have an adverse effect on our financial condition and results of operations. Our investments involve a number of risks, including the existence of unknown liabilities that may arise after making an investment, some of which may depend upon factors that are not under our control. Further, the consummation of our announced investments is generally subject to a number of closing conditions, contingencies and approvals, including, but not limited to, obtaining certain consents of the independent investment firm' s clients and applicable regulatory approvals. In the event that an announced transaction is not consummated, we may experience a decline in the price of our common stock. Our growth strategy also includes pursuing strategic partnerships **and transactions** in areas where we can assist our Affiliates in growing and diversifying their businesses **to further enhance our competitive position, which may involve new operational areas, product structures or strategies, and expanding the geography and scope of our operations**. These **initiatives** ~~strategic partnerships may involve risks and~~ **uncertainties and may** require resources and investment, **including the implementation of new operational controls and procedures, compliance with additional regulatory and disclosure requirements, exposure to more volatile market segments and reputational risks, and require complex contractual arrangements and specialized skills**, and there is no certainty that such ~~partnerships initiatives~~ will deliver the anticipated benefits over the expected time frame or at all, **or that our stockholders will react favorably. Any failure to successfully execute on strategic partnerships or transactions, including in connection with our entry into new operational areas or effectively managing associated risks, could harm our reputation and expose us to additional costs, which could adversely affect our assets under management, financial condition, and results of operations**. The structure of our partnership interests in our Affiliates may expose us to unanticipated changes in Affiliate revenue, operating expenses, and other commitments, which we may not anticipate and may have limited ability to control. **The form** ~~For a majority of our Affiliates, we use structured partnership interests in which~~ **our Affiliates differs from Affiliate to Affiliate, and ranges from structures where** we contractually share in the Affiliate' s revenue without regard to expenses. ~~In this type of structured partnership interest, the~~ **comprising** Affiliate **Affiliates** allocates **that contribute a majority** specified percentage of its ~~our Consolidated~~ revenue to us and Affiliate management, while using the remainder of its revenue for operating expenses and for additional distributions to Affiliate management. In these types of structures, while our distributions generally have priority, our agreed allocations may not anticipate changes in the revenue and operating expense base of the Affiliate, and the revenue remaining after our specified share is allocated to us may not be large enough to cover all of the Affiliate' s operating expenses, which could result in a reduction of the amount allocated to us or could negatively impact the Affiliate' s operations and prospects. For ~~other~~ **others where** Affiliates, we use structured partnership interests in which we contractually share in the Affiliate' s revenue less agreed- upon expenses. ~~This type~~ **Further, the structure at a particular Affiliate, or the expenses that we agree to share in, may change during the course of** partnership interest allows our investment. Where we share in the Affiliate' s revenue without regard to expenses, the Affiliate allocates a specified percentage of its revenue to us and Affiliate management, while using the remainder for operating expenses and additional distributions to Affiliate management. In these types of structures, while our distributions generally have priority, our agreed allocations may not anticipate changes in the revenue and operating expense base of the Affiliate, and the revenue remaining after our specified share is allocated to us may not be large enough to cover all of the Affiliate' s operating expenses, which could result in a reduction of the amount allocated to us or could negatively impact the Affiliate' s operations and prospects. Where we share in the Affiliate' s revenue less agreed- upon expenses, we benefit from any increase in revenue or any decrease in the agreed- upon expenses, but also ~~have~~ **exposes- exposure** us to any decrease in revenue or any increase in such expenses. The degree of our exposure to agreed- upon expenses from these structured partnership interests varies by Affiliate and includes several Affiliates in which we fully share in the expenses of the business. In these types of structures, we may have limited or no ability to control the level of expenses at the Affiliate, and our distributions generally do not have priority. Further, the impact of Affiliate expenses on our earnings and our stock price could increase if the portion of our earnings derived from such Affiliates increases. As a result of these factors, unanticipated changes in revenue, operating expenses, or other commitments at any of our Affiliates could leave the Affiliate with a shortfall in remaining funds for distribution to us or Affiliate management, or for funding their operations. Changes in the global marketplace in particular could result in rapid changes to our Affiliates' earnings or expenses, and our Affiliates may be unable to make appropriate expense reductions in a timely manner to respond to such changes. Any of these developments could have an adverse effect on our financial condition generally, and on our results of operations for the applicable reporting period. Additionally, regardless of the particular structure, we may **agree to change the structure, or may** elect to defer or forgo the receipt of our share of an Affiliate' s revenue or earnings, or ~~to adjust any~~ expenses allocated to us, to permit the Affiliate to fund expenses in light of unanticipated changes in revenue or operating expenses, with the aim of maximizing the long- term benefits for us and the Affiliate. These types of activities could increase during periods where an

Affiliate's revenues decline rapidly or other events occur that impact the Affiliate's expenses or operations. We cannot be certain that any such deferral or forbearance would be of any greater long- term benefit to us, and such a deferral or forbearance may have an adverse effect on our near- or long- term financial condition and results of operations. We may reposition or divest our equity interests in our Affiliates, and we cannot be certain that any such repositioning or divestment will benefit us in the near- or long- term. From time to time, we may reposition our relationships with our Affiliates, which could, among other things, include changes to our structured partnership interests, including changes in our ownership level and in the calculation of our share of revenue and / or operating expenses. Such repositioning may be done in order to address an Affiliate's succession planning, changes in its revenue or operating expense base, our or the Affiliate's strategic planning, or other developments. Any repositioning of our interest in an Affiliate may result in increased exposure to changes in the Affiliate's revenue and / or operating expenses, or in additional investments or commitments from us, or could increase or reduce, or change the structure of, our interest in the Affiliate. In some cases, this could result in the full divestment of our interest to Affiliate management or to a third- party, or in our acquisition of all of the equity interests of the Affiliate. In addition, certain of our Affiliates **accounted for under the equity method** have customary rights in certain circumstances to restructure or sell their interests in their firm to a third- party, which could be through a direct majority or minority sale transaction, a private or public offering, or otherwise, and to cause us to participate in such restructuring or sale, which could be on terms that we view as less favorable than an alternative transaction or to retaining our interest. Any such transactions or changes, or disputes in relation to such transactions or changes which do not resolve in our favor, could have an adverse impact on our **reputation**, financial condition, and results of operations. We and our Affiliates rely on certain key personnel and cannot guarantee their continued service. We depend on the efforts of our executive officers and our other officers and employees. Our executive officers, in particular, play an important role in the stability and growth of our existing Affiliates and in identifying potential investments in independent investment firms. There is no guarantee that these executive officers will remain with the Company. We **generally** do not have employment agreements with our executive officers, although each has a significant deferred equity interest in the Company and is subject to non- solicitation and non- competition restrictions that may be triggered upon their departure. Further, we seek to attract and retain our key officers and employees through a number of initiatives and programs, including developing a strong values- based culture, a commitment to career development, employee engagement, attractive compensation and benefits programs, attention to succession planning, and fostering of diversity and inclusion, any of which may not be successful in contributing to the retention of such employees. Changes in our management team, in particular, may be disruptive to our business, and failure to attract and retain members of our executive or senior management team, or to effectively implement and manage appropriate succession plans, could adversely affect our business, financial condition, and results of operations. In addition, our Affiliates depend heavily on the services of key principals who, in many cases, have managed their firms for many years. These principals often are primarily responsible for their firm's investment decisions. Although we use a combination of economic incentives, transfer restrictions and, in some instances, non- solicitation, non- competition, and employment agreements in an effort to retain key Affiliate personnel, there is no guarantee that these principals will remain with their firms **or refrain from competing with us if they depart their firms**. Since certain of our Affiliates contribute more significantly to our **revenue results** than other Affiliates, the loss of key personnel at these Affiliates could have a disproportionately adverse impact on our business, financial condition, and results of operations. RISKS RELATED TO OUR COMMON STOCK Equity markets and our common stock have been volatile. The market price of our common stock has experienced and may continue to experience volatility, and the broader equity markets have experienced and may continue to experience significant price and volume fluctuations. In addition, announcements of our financial and operating results or other material information, including changes in net client cash flows and assets under management, **announcements and activity regarding our share repurchase programs**, changes in our financial guidance or our failure to meet such guidance, our new investments activity, changes in general conditions in the economy or the financial markets, perceptions regarding our ESG profile **or sustainable investment decisions of our Affiliates**, and other developments affecting us, our Affiliates or our competitors, as well as geopolitical, social, regulatory, capital markets, economic, **pandemics public health**, and other factors unrelated to us, could cause the market price of our common stock to fluctuate substantially. The sale or issuance of substantial amounts of our common stock, or the expectation that such sales or issuances will occur, could adversely impact the price of our common stock. The sale or issuance of substantial amounts of our common stock in the public market could adversely impact its price. In connection with our financing activities, we have issued junior convertible trust preferred securities and **maintain entered into** an equity distribution program, either of which may result in the issuance of our common stock upon the occurrence of certain events. We also have outstanding option and restricted stock awards that have been granted under our share- based incentive plans. Additionally, we have the right to settle certain Affiliate equity purchase obligations with shares of our common stock. Moreover, in connection with future financing activities, we may issue additional convertible securities or shares of our common stock, including through forward equity transactions. Any such issuance of shares of our common stock could have the effect of substantially diluting the interests of our current equity holders. In the event that a large number of shares of our common stock are sold or issued in the public market, or the expectation that such sales or issuances will occur, the price of our common stock may decline as a result. Provisions in our organizational documents, Delaware law, and other factors could delay or prevent a change in control of the Company, or adversely affect our financial results in periods prior to and following a change in control. Provisions in our charter and by- laws and anti- takeover provisions under Delaware law could discourage, delay, or prevent an unsolicited change in control of the Company. These provisions may also have the effect of making it more difficult for third parties to replace our executive officers without the consent of our Board of Directors. These provisions include: • the ability of our Board of Directors to issue preferred stock and to determine the terms, rights, and preferences of the preferred stock without stockholder approval; • the prohibition on the right of stockholders to call meetings or act by written consent and limitations on the right of stockholders to present proposals or make nominations at stockholder meetings; and • legal restrictions on mergers and other business

combinations between us and any holder of 15 percent or more of our outstanding common stock. Further, given our long-term innovative partnership approach with our Affiliates, which is designed to maintain their **independence and autonomy, and, therefore, their** unique entrepreneurial **and investment-centric** cultures, ~~investment independence, and operational autonomy in managing their businesses~~, a change in control may be viewed negatively by our Affiliates, impacting their relationships with us. Additionally, the disposition of certain of our Affiliates following a change in control could result in the immediate realization of taxes owed on any excess proceeds above our tax basis in the relevant Affiliate, which could impact the valuation a third-party may apply to us in a change in control. Any of the forgoing factors may inhibit a change in control in circumstances that could give our stockholders the opportunity to realize a premium over the market price of our common stock, or may result in negative impacts on our financial results in periods prior to and following a change in control. In addition, a change in control of the Company or the acquisition of a large ownership position in shares of our outstanding common stock by a single holder may constitute a change in control for certain of our Affiliates for purposes of the Advisers Act and the Investment Company Act. In that case, absent client consents, the Affiliate's management agreements may be deemed to be "assigned" in violation of the agreement and, for mutual fund clients, will terminate. We cannot be certain that any required client consents (which the impacted Affiliates would need to be involved in requesting) would be obtained if such a change of control occurs. Any termination, deemed assignment or renegotiation of any of our Affiliates' management agreements could result in a reduction in our assets under management or the fees payable to our Affiliates and, ultimately, our aggregate fees. Further, certain of our Affiliates operate regulated businesses in jurisdictions outside of the U. S. that, in some cases, require regulatory notifications and other filings if a single stockholder acquires an ownership position in the Company exceeding certain specified thresholds, regardless of whether a change in control has occurred for purposes of the Advisers Act or the Investment Company Act. Such an ownership position could also trigger approvals under FINRA, for Affiliates operating a broker-dealer in the U. S. As a result, a large ownership position in our stock, whether or not resulting in a change of control of the Company, could result in increased regulatory reporting and compliance costs, and potential restrictions on our or our Affiliates' business activities, and could reduce the fees that our Affiliates receive under investment management contracts, any of which could have an adverse effect on the Company's financial condition and results of operations.

**LEGAL AND REGULATORY RISKS** Our and our Affiliates' businesses are highly regulated. Our and our Affiliates' businesses are subject to complex and extensive regulation by regulatory and self-regulatory authorities and exchanges in various jurisdictions around the world, which, for our Affiliates and our U. S. wealth distribution subsidiary, include those applicable to investment advisers, as detailed in "Government Regulation" in Item 1. Applicable laws, rules and regulations impose requirements, restrictions, and limitations on our and our Affiliates' businesses, and can result in significant compliance costs. Further, this regulatory environment may be altered without notice by new laws or regulations, revisions to existing laws or regulations, or new or revised interpretations, guidance or enforcement priorities. Any determination of a failure to comply with applicable laws, rules or regulations could expose us, our Affiliates, or our respective employees to civil liability, criminal liability, or disciplinary or enforcement action, with penalties that could include the disgorgement of fees, fines, sanctions, suspensions, termination of adviser status, or censure of individual employees or revocation or limitation of business activities or registration, and may result in monetary losses that are not covered by insurance in adequate amounts or at all, any of which could have an adverse impact on our stock price, financial condition, and results of operations. Further, if we, any of our Affiliates or our respective employees **or third-party service providers** were to fail to comply with applicable laws, rules, or regulations, or be named as a subject of an investigation or other regulatory action, the public announcement and potential publicity surrounding any such investigation or action could have an adverse effect on our or our Affiliates' reputations and on our stock price and result in increased costs, even if we, our Affiliates, or our respective employees **or third-party service providers** were found not to have violated such laws, rules or regulations. Recently implemented and proposed regulations globally have called for more stringent oversight of the financial services industry in which we and our Affiliates operate. In the U. S., the ~~current~~ **current** presidential administration has ~~shifted~~ **actively pursued an expanded scope of** enforcement priorities under existing regulations, and has been pursuing additional rulemaking **and disclosure obligations**, impacting public companies and the financial services industry, including private and public funds, ~~in areas relating to ESG matters and disclosures, data security risk management and disclosures, share buybacks, and additional asset management disclosure and compliance requirements. For example, the SEC has proposed new rules for private fund advisers that if enacted, would prohibit seeking reimbursement, indemnification, exculpation, or limitation of liability for breach of fiduciary duty, willful malfeasance, bad faith, negligence, or recklessness in providing services to the fund.~~ These **and other** regulatory developments could adversely affect our and our Affiliates' businesses, increase compliance costs, require that we or our Affiliates change or curtail operations or investment offerings, or impact our and our Affiliates' access to capital and the market for our common stock. Further, in recent years, regulators in the U. S., the UK, and other jurisdictions have expanded rules and devoted greater resources and attention to the enforcement of anti-bribery and anti-money laundering laws, and while we and our Affiliates have developed and implemented policies and procedures designed to comply with these rules, such policies and procedures may not be effective in all instances to prevent violations. Our and our Affiliates' international operations are subject to foreign risks, including political, regulatory, economic, and currency risks. We and certain of our Affiliates conduct business outside the U. S., and a number of our Affiliates are based **or have offices** outside the U. S. and, accordingly, are subject to risks inherent in doing business internationally. These risks may include difficulties in staffing and managing foreign operations, longer payment cycles, difficulties in collecting investment advisory fees receivable, different (and in some cases less stringent) legal, regulatory and accounting regimes, political instability, exposure to fluctuations in currency exchange rates, expatriation controls, expropriation risks, and potential adverse tax consequences. For example, **regulations** our and our Affiliates' businesses may be impacted by the terms of trade agreements negotiated by the ~~UK in connection with its exit from the European Union (the "EU")~~, which could result in fluctuations in exchange rates, disruptions in the capital markets, changes in investor risk tolerance or investment preferences, potential regulatory shifts

resulting from the UK's status as a third-country with the EU, increased compliance and administrative costs, or other impacts. Further, regulations in the EU pertaining to integrating ESG topics may materially impact the investment management industry in member states that **have adopted, or may in the future** adopt, such legislation. For example, the EU's Sustainable Finance Disclosure Regulation ("SFDR") requires MiFID firms and AIFMs to take ESG factors into account in their organizational, risk and governance arrangements and are designed to, among other things, establish EU labels for green financial products, clarify managers' duties regarding sustainability in their investment decisions, and increase disclosure requirements relating to ESG matters including those relating to "greenwashing" (i. e., the holding out of a product as having green or sustainable characteristics where this is not, in fact, the case). Similar regulatory measures **have been, and may in the future be**, introduced in other jurisdictions in which we or our Affiliates currently have investments or plan to invest in the future, including in the U. S. and the UK, **as applicable**. These types of ESG- related regulations could impact our or our Affiliates' businesses, ~~increases~~ **increase** regulatory and compliance costs, and adversely affect our profitability, **which effects could be exacerbated in the event of regulatory uncertainty or conflicting or inconsistent regulatory guidance related thereto**. In addition, as a result of operating internationally, certain of our Affiliates and our global **capital** distribution ~~subsidiaries~~ **platform** are subject to requirements under foreign regulations to maintain minimum levels of capital. Such capital requirements may be increased from time to time, which may have the effect of limiting withdrawals of capital and the payment of distributions to us or, if there were a significant change in the required capital or an extraordinary loss or charge against net capital at a particular Affiliate, could adversely impact such Affiliate's ability to expand or maintain operations. These or other risks related to our and our Affiliates' international operations may have an adverse effect on our business, financial condition, and results of operations. Changes in tax laws or exposure to additional tax liabilities could have an adverse impact on our business, financial condition, and results of operations. We are subject to income taxes as well as non- income based taxes in the U. S. and certain foreign jurisdictions, and our Affiliates are generally subject to taxes in the jurisdictions in which they operate. Tax laws, regulations and administrative practices in these jurisdictions may be subject to significant change, with or without notice, and significant judgment is required in estimating and evaluating tax provisions and accruals. Our and our Affiliates' effective tax rates could be affected by a change in the mix of earnings with differing statutory tax rates, changes to our or their existing businesses, and changes in relevant tax, accounting or other laws, regulations, administrative practices, and interpretations. ~~If in the U. S., the Inflation Reduction Act of 2022, which was signed into law in August 2022, contained a number of changes to federal tax laws including a new corporate minimum tax as well as a new excise tax on stock repurchases, neither of which we expect to have a significant impact on our net income and cash flows, but which could impact future decisions on how to return value to stockholders in the most efficient manner. If further~~ tax reform proposals are introduced in the U. S., they could materially impact our tax provision, deferred tax assets, tax liabilities, **tax credit planning**, and effective tax rate, **or impact decisions on how to return value to stockholders in the most efficient manner**. Further, a portion of our earnings is from outside of the U. S., and the foreign government agencies in jurisdictions in which we and our Affiliates do business continue to focus on the taxation of multinational companies, and could implement changes to their tax laws. **For example, in October 2021, the Organization for Economic Co- operation and Development (" OECD ") agreed to a two-pillar approach to global taxation focusing on global profit allocation, referred to as Pillar One, and a global minimum corporate tax rate (" Pillar Two "). In December 2022, the EU agreed to implement the OECD's global minimum corporate tax rate of 15 % under Pillar Two, effective January 2024. Other countries, including jurisdictions in which we or our Affiliates do business, are also considering changes to their tax laws to adopt certain portions of the OECD's proposals.** Any changes to federal, state or foreign tax laws, regulations, accounting standards or administrative practices, or the release of additional guidance, interpretations or other information, **including in connection with Pillar Two or otherwise**, could impact our estimated effective tax rate and overall tax expense, as well as our earnings estimates, and could result in adjustments to our treatment of deferred taxes, including the realization or value thereof, or in unanticipated additional tax liabilities, any of which could have an adverse effect on our business, financial condition, and results of operations. In addition, we and our Affiliates may be subject to tax examinations by certain federal, state, and foreign tax authorities. We regularly assess the likely outcomes of examinations that we are subject to, in order to determine the appropriateness of our tax provision; however, tax authorities may disagree with certain positions we have taken or may take, and may assess additional taxes and / or penalties and interest. In the U. S., the Inflation Reduction Act included significant budget increases for tax audit and enforcement, and similar trends have developed in foreign jurisdictions. There can be no assurance that we will accurately predict the outcomes of any examinations and the actual outcomes could have an adverse impact on our financial condition and results of operations. We or our Affiliates may be involved in legal proceedings and regulatory matters from time to time, and we may be held responsible for liabilities incurred by certain of our Affiliates. Our operating agreements with our Affiliates provide for governance structures that give Affiliate management the authority to manage and operate their businesses on a day- to- day basis, including investment management operations, marketing, product development, client relationships, employee matters, compensation programs, and compliance activities. As a consequence, our financial condition and results of operations may be adversely affected by problems stemming from the day- to- day operations of our Affiliates that we are not involved in, and where weaknesses or failures in internal processes or systems, legal or regulatory matters, or other operational challenges could lead to a disruption or cessation of our Affiliates' operations, liability to their clients, exposure to claims or disciplinary action, or reputational harm. Certain of our Affiliates are limited liability companies or limited partnerships (or equivalent non- U. S. forms) of which we, or entities controlled by us, are the managing member or general partner (or equivalent). Consequently, to the extent that any of these Affiliates incur liabilities or expenses that exceed their ability to pay for them, we may be directly or indirectly liable for their payment. Similarly, an Affiliate's payment of distributions to us may be subject to claims by potential creditors, and an Affiliate may default on distributions that are payable to us. In addition, with respect to each of these Affiliates, we may be held liable in some circumstances as a control person for the acts of the Affiliate or its

employees. Further, we also conduct distribution, sales, and marketing activities through our U. S. wealth ~~distribution subsidiary~~ and our global distribution ~~platforms subsidiaries~~, to extend the reach of our Affiliates' own business development efforts, and any liability arising in connection with these activities, whether as a result of our own actions or the actions of our participating Affiliates **or third- party service providers**, could result in direct liability to us. Accordingly, we and our Affiliates may face various claims, litigation, or complaints from time to time, and we cannot predict the eventual outcome of such matters, some of which may be resolved in a manner unfavorable to us or our Affiliates, or whether any such matters could become material to a particular Affiliate or us in any reporting period. See "Legal Proceedings" in Item 3. While we and our Affiliates maintain errors and omissions and general liability insurance in amounts believed to be adequate to cover potential liabilities, we cannot be certain that we or our Affiliates will not have claims or related expenses that exceed the limits of available insurance coverage, that the insurers will remain solvent and will meet their obligations to provide coverage, or that insurance coverage will continue to be available to us and our Affiliates with sufficient limits and at a reasonable cost. Any legal proceedings or regulatory matters that we or our Affiliates are subject to could, whether with or without merit, be time consuming and expensive to defend and could divert management attention and resources, and could result in judgments, findings, settlements, or allegations of wrongdoing that could adversely affect our or their reputation, current and future business relationships, and our financial condition and results of operations. Our or our Affiliates' controls and procedures and risk management policies may be inadequate, fail or be circumvented, and operational risk could adversely affect our or our Affiliates' reputation and financial position. We and our Affiliates have adopted various controls, procedures, policies, and systems to monitor and manage risk in our and their businesses. While we currently believe that our and our Affiliates' operational controls are effective, we cannot provide assurance that those controls, procedures, policies, and systems will always be adequate to identify and manage the internal and external risks in our and our Affiliates' various businesses. Furthermore, we or our Affiliates may have errors in business processes or fail to implement proper procedures in operating our respective businesses, which may expose us or our Affiliates to risk of financial loss or failure to comply with regulatory requirements. Additionally, although we and our Affiliates have systems and practices in place to monitor **our respective third- party service providers**, such third parties are subject to similar risks. We and our Affiliates, as well as our respective **third- party** service providers, are also subject to the risk that employees or contractors, or other third parties, may deliberately seek to circumvent established controls to commit fraud or act in ways that are inconsistent with our or their controls, policies, and procedures, and which may be harder to monitor in remote work environments. The financial and reputational impact of control failures can be significant. In addition, our and our Affiliates' businesses and the markets in which we and our Affiliates operate are continuously evolving. **For example, the use of generative AI technologies by us, our Affiliates, or our respective third- party service providers could result in new and expanded risks.** If our or our Affiliates' risk frameworks are ineffective, either because of a failure to keep pace with changes in the financial markets, **technological advancements, or** regulatory requirements, our or our Affiliates' businesses, counterparties, clients, or **respective third- party** service providers, or for other reasons, we or our Affiliates could incur losses, suffer reputational damage, or be out of compliance with applicable regulatory or contractual mandates or expectations. Failure to maintain and properly safeguard an adequate technology infrastructure may limit our or our Affiliates' growth, result in losses or disrupt our or our Affiliates' businesses. Our and our Affiliates' businesses are reliant upon financial, accounting, and technology systems and networks to process, transmit, and store information, including sensitive client and proprietary information, and to conduct many business activities and transactions with clients, advisers, regulators, vendors, and other third parties. The failure to implement, maintain, and safeguard an infrastructure commensurate with the size and scope of our and our Affiliates' businesses could impede productivity and growth, which could adversely impact our financial condition and results of operations. Further, we and our Affiliates rely on third parties for certain aspects of our respective businesses, including financial intermediaries, providers of technology infrastructure, and other service providers such as broker- dealers, custodians, administrators and other agents, as well as accounting, legal, and other professional advisors, and these parties are susceptible to similar risks. **Our** ~~Although we and our Affiliates take protective measures and endeavor to modify them as circumstances warrant,~~ computer systems, software, internal and cloud- based networks, and mobile devices **are may be** vulnerable to cyber- attacks, data privacy or security breaches, phishing schemes and related fraud attempts, ransomware, social engineering, unauthorized access, theft, misuse, computer viruses, or other malicious code and other events that could have a security impact. **Any such cyber- attacks could have a material impact on our financial conditions or results of operations.** Further, ~~although we and our Affiliates have systems and practices in place to monitor the~~ third parties on whom we and our Affiliates rely, ~~such third parties~~, including those providing cloud- based network services, may have similar vulnerabilities and may lack the necessary infrastructure or resources, or may otherwise fail, to adequately protect against or respond to any cyber- attacks, data breaches, or other incidents. If any such events occur, it could jeopardize confidential, proprietary, or other sensitive information of ours, our Affiliates and our respective clients, employees or counterparties that may be stored in, or transmitted through, internal or third- party computer systems, networks, and mobile devices, or could otherwise cause interruptions or malfunctions in our and our Affiliates' operations or those of our respective clients or counterparties, or in the operations of third parties on whom we and our Affiliates rely. **The advancement of AI has given rise to additional vulnerabilities and potential entry points for cyber threats, providing threat actors with additional tools to automate attacks, evade detection, or generate sophisticated phishing emails.** Despite efforts to ensure the integrity of systems and networks, it is possible that we, our Affiliates or our respective third- party service providers may not be able to anticipate or to implement effective preventive measures against all threats, especially because the techniques used change frequently and can originate from a wide variety of sources. Further, human errors may occur from time to time at our third- party service providers' staff or among our or our Affiliates' employees, which can lead to or exacerbate security vulnerabilities or attacks. The increasing frequency and sophistication of these cyber threats, including in foreign jurisdictions in which we and our Affiliates operate, along with the continued reliance on work- from- home environments, personal mobile and



computing technologies, and third- party web conferencing services, have increased exposures to these security- related risks. As a result, we or our Affiliates could experience disruption, significant losses, increased costs, reputational harm, regulatory actions, or legal liability, any of which could have an adverse effect on our financial condition and results of operations. We or our Affiliates may be required to spend significant additional resources to modify protective measures or to investigate and remediate vulnerabilities or other exposures, and may be subject to litigation, regulatory investigations, and potential fines, and financial losses that are either not insured against fully or not fully covered through any insurance that we or our Affiliates maintain. Additionally, given our business model of providing our Affiliates with ~~operational~~-autonomy in managing their businesses, we do not control, and may have limited involvement in, the design, oversight, and maintenance of their technology systems and networks, as well as in the identification of or response to any cyber- attacks, data breaches, or other incidents. **See “ Cybersecurity ” in Item 1C.** Further, government and regulatory oversight of data privacy in particular has ~~been growing in recent years~~ **become a priority for regulators around the world**, including **as examples**, through the EU’ s General Data Protection Regulation and the California ~~Consumer~~-Privacy **Rights** Act, resulting in heightened data security and handling requirements, increased **enforcement risk and fines**, **increased compliance costs**, and expanded incident response and reporting obligations. More recently, the SEC ~~proposed~~ **has implemented** new rules related to cybersecurity risk management for public companies and **is expected to implement similar new rules for** registered investment advisers, **broker- dealers, and funds**, which **have resulted or** may result **, as applicable**, in increased disclosure **requirements**, obligations **to report certain cybersecurity incidents to the SEC**, and liabilities related to our and our Affiliates’ technology systems and networks. Recent well- publicized security breaches at other companies have exemplified security- related vulnerabilities, and may lead to further government and regulatory scrutiny and heightened security requirements both in the U. S. and in other jurisdictions in which we and our Affiliates operate.