Manning & Napier, Inc.
Form S-1/A
November 16, 2011
Table of Contents

As filed with the Securities and Exchange Commission on November 16, 2011

Registration No. 333-175309

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 5

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MANNING & NAPIER, INC.

(Exact name of registrant as specified in its charter)

Delaware	**6282**	**45-2609100**

(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

290 Woodcliff Drive

Fairport, New York 14450

(585) 325-6880

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Richard B. Yates

Chief Legal Officer

Manning & Napier, Inc.

290 Woodcliff Drive

Fairport, New York 14450

(585) 325-6880

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Harold Levine

Irwin A. Kishner

Herrick, Feinstein LLP

2 Park Avenue

New York, New York 10016

(212) 592-1400

Raymond B. Check

Cleary Gottlieb Steen & Hamilton LLP

One Liberty Plaza

New York, New York 10006

(212) 225-2000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer þ (Do not check if a smaller reporting company)	Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price (1)(2)	Amount of registration fee (3)
Class A common stock, $0.01 par value per share	$ 230,000,000	$ 26,358

(1) Includes 1,875,000 additional shares of Class A common stock which the underwriters have the option to purchase to cover overallotments, if any.

(2) Estimated solely for purposes of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

(3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Subject to Completion

Preliminary Prospectus dated November 16, 2011

PROSPECTUS

12,500,000 Shares

Class A Common Stock

This is Manning & Napier, Inc. s initial public offering. We are selling 12,500,000 shares of our Class A common stock.

We expect the public offering price to be between $15.00 and $17.00 per share. Currently, no public market exists for the shares. After pricing of the offering, we expect that the shares will trade on the New York Stock Exchange under the symbol MN.

Upon completion of this offering, William Manning, our Chairman and controlling stockholder, will hold a majority of the combined voting power of our capital stock through his ownership of 100% of our outstanding Class B common stock.

Investing in our Class A common stock involves risks that are described in the Risk Factors section beginning on page 19 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

The underwriters may also exercise their option to purchase up to an additional 1,875,000 shares of the Class A common stock from us at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus to cover overallotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2011.

BofA Merrill Lynch

J.P. Morgan

Wells Fargo Securities
Stifel Nicolaus Weisel
Keefe, Bruyette & Woods
Sandler O Neill + Partners, L.P.
Needham & Company, LLC

The date of this prospectus is , 2011.

TABLE OF CONTENTS

Table of Contents

We are responsible for the information contained in this prospectus and in any free writing prospectus we may authorize to be delivered to you. We have not, and the underwriters have not, authorized anyone to give you any other information, and take no responsibility for any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of our Class A common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our Class A common stock.

BASIS OF PRESENTATION

Except as otherwise indicated herein or as the context otherwise requires, in this prospectus:

- Manning & Napier, the Company, we, our, and us refers to Manning & Napier, Inc. and, unless the context otherwise requir its direct and indirect subsidiaries, including Manning & Napier Group, and predecessors, including the Manning & Napier Companies;

- Manning & Napier Group refers to Manning & Napier Group, LLC, a limited liability company organized under the laws of the State of Delaware, and, unless the context otherwise requires, its direct and indirect subsidiaries and predecessors;

- M&N Group Holdings refers to M&N Group Holdings, LLC, a limited liability company organized under the laws of the State of Delaware;

- Manning & Napier Companies refers to, collectively, (i) MNA Advisors, Inc. (f/k/a Manning & Napier Advisors, Inc.), or MNA, (ii) M&N Advisory Advantage Corporation (f/k/a Manning & Napier Advisory Advantage Corporation), or AAC, (iii) M&N Alternative Opportunities, Inc. (f/k/a Manning & Napier Alternative Opportunities, Inc.), or MNAO, (iv) Manning & Napier Capital Company, LLC, or MNCC, (v) Manning & Napier Investor Services, Inc., or MNBD, (vi) Manning & Napier Information Services, LLC, or MNIS, (vii) EXA Advisors, Inc. (f/k/a Exeter Advisors, Inc.), or EAI, and (viii) Perspective Partners LLC, or PPI, each as in effect prior to the consummation of this offering;

- Manning & Napier Associates refers to Manning & Napier Associates, LLC, a limited liability company organized under the laws of the State of New York and an affiliate of Manning & Napier;

- this offering refers to the offering of our Class A common stock offered hereby;

- collective investment trusts refers to the pools of retirement plan assets maintained by a bank or trust company that we manage;

- portfolios refers to the separate accounts in which we manage our clients investments and the mutual funds, collective investment trusts or other pooled investment vehicles for which we are investment adviser or sub-advisor;

management services refers to the investment management services we provide to clients who engage us to manage their investments; and

client and clients refer to investors who access our management services.

In this prospectus, we rely on and refer to certain publicly available market and industry data and forecasts related thereto. We obtained this information and these statistics from publicly available sources, which we have supplemented where necessary with our own internal estimates. We use these sources and estimates and believe them to be reliable, but we cannot give you any assurance that any of the projected results will be achieved.

None of the information in this prospectus or the registration statement of which this prospectus forms a part constitutes either an offer or a solicitation to buy or sell any of our products, nor is any such information a recommendation for any of our products or management services.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that may be important to you. You should read the entire prospectus carefully together with our combined consolidated financial statements and the related notes appearing elsewhere in this prospectus before you decide to invest in our Class A common stock. This prospectus contains forward-looking statements, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those discussed under the heading Risk Factors and other sections of this prospectus.

Overview

We are an independent investment management firm that provides a broad range of investment solutions through separately managed accounts, mutual funds and collective investment trust funds. Founded in 1970, we offer equity and fixed income portfolios as well as a range of blended asset portfolios, such as life cycle funds, that use a mix of stocks and bonds. As illustrated in the chart below, since 1999, we have achieved strong growth in discretionary assets under management, or AUM. From December 31, 1999 through September 30, 2011, our AUM has increased from $6.9 billion to $38.8 billion, representing a compound annual growth rate of 15.8% during a period that included two significant bear markets. Our growth in AUM resulted in an increase in our revenues from $50.2 million for the year ended December 31, 1999 to $255.5 million for the year ended December 31, 2010.

Note: Reflects our AUM over the periods indicated. Data as of December 31 of each respective year, unless otherwise indicated.

We employ a disciplined investment process that seeks to avoid areas of speculation and invest in what we view as under-valued market segments, under the principle that today s market prices drive future potential investment returns. Initially, this approach helped us build a strong client base of high net worth individuals and middle market institutions, and we maintain these relationships in many targeted geographic regions. This foundation allowed us to expand our business to serve the needs of larger institutions, investment consultants and other intermediaries, which has been a strong driver of recent growth.

We have focused on building an internal organization of specialists to provide additional consultative services beyond investment management, which we believe helps us build close relationships with our clients through multiple service touch points and a solutions-oriented approach. Taken together with strong long-term investment performance across portfolios, our consultative, total-solutions approach has allowed us to achieve a significantly lower-than-industry average annual separate account cancellation rate through difficult market environments. According to Cerulli Associates, the average annual industry redemption rate, or cancellation rate, for separate accounts was 23.3% for the period 2002 through 2010 and 24.9% over the last five years ending

Table of Contents

December 31, 2010, as compared to our average annual cancellation rates of 3.9% and 3.6%, respectively, during such periods. We have experienced net positive cash flows in both our separate accounts and our mutual funds for each of the last four years and thus far in 2011 through October 31, 2011.

Our research process is analyst- and team-driven. Our mutual funds have earned a number of industry accolades, including a finalist ranking for Morningstar s international manager of the decade and multiple Lipper awards, and two S&P Capital Silver Awards for the year ended August 31, 2011. As of September 30, 2011, 10 of the 20 funds eligible for Morningstar ratings, representing approximately 71% of our total mutual fund AUM, are rated four or five stars by Morningstar. From January 1, 2000 through September 30, 2011, a period of time that included two significant bear markets, many of our mutual funds and similarly managed separate account portfolios experienced strong cumulative returns well in excess of the returns earned by broad equity market indexes.

Note: Represents cumulative returns, net of fees, for the mutual funds set forth above from January 1, 2000 to September 30, 2011. Percentages in parentheses represent mutual fund equity range.

We have separate account portfolios that are managed under similar investment objectives as the mutual funds illustrated above.

We offer our investment management capabilities primarily through direct sales to high net worth individuals and institutions, as well as through third-party intermediaries, including national brokerage firm advisors, independent financial advisors, and institutional investment consultants. Our AUM as of September 30, 2011 by investment vehicle and portfolios were as follows:

Table of Contents

Our AUM as of June 30, 2011 by distribution channel was as follows:

As of September 30, 2011, we had 450 employees, including William Manning, our Chairman and controlling stockholder, and the 47 other employee-owners, most of whom are based in Fairport, New York. Immediately following the completion of this offering and the application of the net proceeds, these employee-owners will collectively directly and indirectly own approximately 86.9% of Manning & Napier Group, through which we conduct all of our business. Our culture of employee ownership strongly aligns our interests with those of our clients by delivering strong investment performance and solutions.

Industry Trends

We believe the following key market trends will continue to drive the growth of our business and increase the value of our service offerings:

Increased Focus on Management of Employee Benefit Plans. Rapidly rising healthcare costs are eroding the ability of many employees to fund adequate retirement savings and employers are increasingly concerned with the financial hurdles their employees face. According to Deloitte Consulting LLP, approximately 75% of employers surveyed indicate that they plan to make or have already made changes to the design of their health and welfare plans to address these concerns. At the same time, employees increasingly are looking for customized advice. We believe employers will be increasingly interested in working with providers that can take a holistic view of benefit plan design and can help solve problems with both retirement benefit plans and health benefit plans.

Growth of Defined Contribution Plans and Enhanced Role for Life Cycle Funds. We believe the large and growing retirement savings industry increasingly requires investment advice and retirement help for employees. As a result of the Pension Protection Act of 2006 and subsequent U.S. Department of Labor guidelines, plan sponsors are now actively seeking automatic retirement savings solutions for their employees. We expect auto-enrollment will be a driver of even greater participant balances in the future and life cycle funds, and target date funds in particular, will continue to see increased demand as more plan sponsors use such funds as the default option within their plans. Cerulli Associates estimates assets in life cycle funds will increase by 40% per year from 2009 through 2015. We believe life cycle and target date fund providers with a documented track record of proven results will garner increasing assets in this space, especially when bundled with broad employee education services.

Focus on Intergenerational Planning. A 2011 U.S. Trust survey of Americans with at least $3 million in investments indicates that nearly 40% do not have a comprehensive estate plan and more than 27% have never discussed intergenerational wealth transfer with their financial advisor. We anticipate significant opportunities for investment managers that can position themselves as trusted advisors to high net worth investors.

Heightened Interest in Risk Management. Following the credit crisis and global bear market in 2008 and early 2009, investors and financial advisors have become increasingly interested in absolute return strategies, or strategies that seek positive returns over full market cycles. A 2010 survey of financial advisors and brokers by Putnam Investments states that 59% of advisors were likely to recommend absolute return strategies to their clients. We believe our active and unconstrained investment approach within our blended asset class portfolios is well suited to meet the demand for absolute return strategies using traditional asset classes and is likely to be less expensive than alternative investment-based strategies with similar absolute return goals.

Demand for Non-U.S. Investments. With more than 50% of the global market capitalization represented by non-U.S. companies, U.S. investors are increasingly looking to diversify their assets through non-U.S. investments. We believe U.S. investors are under-allocated in global equities relative to global benchmarks, particularly in the defined contribution channel, with only 7% of defined contribution assets invested in non-U.S. equities. We believe investors will strive to select managers with experience and proven results to meet their more diversified and global investing requirements as well as those with the flexibility to allocate assets to and within foreign markets, among both developed and emerging countries.

Our Competitive Strengths

Team-Based Investment Approach. We rely on a team-based investment approach and a robust investment process that has resulted in consistent returns over time that are well in excess of market benchmarks. Our investment team consists of 41 bottom-up equity research analysts with global industry responsibilities and 28 top-down economists, statistical analysts and fixed income analysts. Investment decisions are overseen by our Senior Research Group, which is a team of ten senior analysts who manage our portfolios. We believe this team approach, rather than relying on traditional individual portfolio managers, has provided and will continue to provide consistency to our investment process and results over the long-term.

Track Record of Consistent Investment Excellence through Multiple Market Cycles. We have a track record of superior long-term investment returns across our key portfolios relative to our competitors and the relevant benchmarks. Ten of our 20 mutual funds, representing more than $11 billion in AUM, have a Morningstar rating of 4 or 5 stars. Lipper Fund Awards 2010 named Manning & Napier s World Opportunities Series as the Best International Multi-Cap Core Fund over 10 years and their 2011 Fund Awards named our International Series as the Best International Multi-Cap Core Fund over three years. S&P Capital named our International Series and Dividend Focus Series Silver Award Winners in their second annual U.S. Mutual Fund Excellence Awards Program for the year ended August 31, 2011. Our track record of long-term outperformance is instrumental in attracting and retaining clients as well as in maintaining good relationships with consultants who recommend our services.

High Client Retention through a Solutions-Oriented Approach. Our average annual separate account cancellation rate was 3.6% over the last five years ending December 31, 2010, as compared to an industry rate of 24.9% according to Cerulli Associates. For many of our clients, we provide an array of services to help them identify their funding and investment requirements and then design solutions that are specific to the client s needs. We believe our long history of providing consultative services to complement our investment process has allowed us to form stronger relationships with our clients and has helped to reduce turnover during challenging market environments.

Strong Record of Net New Business Generation. Our AUM and revenue has grown consistently over the period from December 31, 1999 to September 30, 2011 despite two bear markets. We have experienced positive net cash flows every quarter since the last stock market peak in the fourth quarter of 2007. Our contraction in AUM during the 2008-2009 market downturn was relatively mild primarily due to continued strong new business flows driven by our absolute return orientation and our low client cancellation rate. Our strong organic growth has allowed us to maintain positive revenue momentum during periods of sustained market declines and establish a solid base to build on during periods of economic expansion.

Table of Contents

Culture of Product Innovation. We have a company-wide culture of product innovation that is designed to anticipate the needs of the clients we serve. For example, we developed our first life cycle mutual fund in 1993, when there were only seven life cycle funds listed on Morningstar. More recently, we launched technology driven products and services to assist both employers and employees with their health and wealth planning. Given our culture of innovation, we believe that we are well-positioned to take advantage of new opportunities in the ever-changing marketplace.

Diversified Client Base through Multiple Channels. We distribute our products and services through direct sales as well as by leveraged distribution through financial intermediaries, platforms and investment consultants. Overall, our client base is well-diversified across both individual and institutional client types, with our largest direct client relationship representing only 2.2% of our total AUM as of September 30, 2011. As of September 30, 2011, the largest relationship we have with a financial intermediary represents 5.3% of our total AUM and the mutual fund platform representing the largest portion of our fund assets represents an additional 5.7% of our total AUM. This broad distribution has made our business less susceptible to losses from any one client or channel and has contributed to the stability of our earnings.

Experienced Management Team and Investment Professionals. In 2003, William Manning turned over management responsibilities to our current executive management team. This team has, on average, 22 years of experience with our company and an average of 28 years of experience in the asset management industry. Patrick Cunningham has been with us since 1992 and was named our chief executive officer in June 2010, and the majority of the members of our Senior Research Group started their investment careers with us. These long-standing tenures illustrate the continuity and commitment of our team that we believe will be important to our success in the future.

Our Strategy

Our strategy for continued success is focused on the following:

Expand our Direct Channel. Our high-touch direct distribution channel has allowed us to build strong relationships with our clients over time. We plan to expand our direct sales presence geographically, filling in new regions along the east coast and expanding farther west. Our direct channel will remain focused on identifying geographic regions within which our representatives form key relationships with centers of influence, business owners and other referral networks.

Broaden our Intermediary Channel. We are focused on the attractive 401(k) marketplace, which is characterized by positive cash flows and low cancellation rates. In addition to building relationships directly with plan sponsors, we are focusing our wholesale staff on identifying advisors and other financial intermediaries that work primarily with defined contribution plans. We expect significant future growth opportunities within this channel as we begin to target national brokerage firm advisors, retirement plan advisors and other intermediaries that work with small- to mid-sized 401(k) plans.

Focus on the Convergence of Health and Wealth Benefits. Our strong relationship with employers positions us well for the opportunities provided by the convergence of health and wealth benefits in employer decision making. We are focused on providing consultative services to employers to address these key concerns through unique plan design alternatives and technology-based tools to help employers and advisors effectively reach large numbers of employees with tailored retirement and health plan guidance. We will continue to develop and potentially acquire products and services to help employers best address these key issues regarding retirement and health benefit plans.

Table of Contents

Develop New Products in Response to Market Opportunities. The on-going development of products and consultative services in response to current and prospective client needs has been a source of significant growth. We remain committed to understanding the key areas of concern for various client types and developing solutions to meet these needs. Continued product and service development will likely require building additional resources and areas of expertise, and we are continuing to add resources where solving key problems can strengthen our relationships with clients.

Summary Risk Factors

An investment in our Class A common stock involves substantial risks and uncertainties. These risks and uncertainties include, among others, the following:

- Our revenues are dependent on the market value and composition of our AUM, all of which are subject to fluctuation due to factors outside of our control.

- The loss of key investment professionals or members of our senior management team could have an adverse effect on our business.

- We derive substantially all of our revenues from contracts and relationships that may be terminated upon short or no notice.

- We may be required to reduce the fees we charge, which could have an adverse effect on our profit margins and results of operations.

- Several of our portfolios involve investing principally in the securities of non-U.S. companies, which involve foreign currency exchange, tax, political, social and economic uncertainties and risks.

- Control of a majority of the combined voting power of our capital stock by William Manning, and ownership of approximately 86.9% of Manning & Napier Group s ownership interests by our existing owners, including William Manning, may give rise to conflicts of interest; failure to properly address these or other conflicts of interest could harm our reputation, business and results of operations.

- Immediately following the consummation of this offering, William Manning and our other employee-owners will directly and indirectly own interests in Manning & Napier Group, and they will have the right to exchange and cause M&N Group Holdings to exchange, as applicable, such interests for cash or an aggregate of 76,400,000 shares of our Class A common stock pursuant to the terms of an exchange agreement; future sales of such shares in the public market, or the perception that such sales may occur, could lower our stock price.

The foregoing is not a comprehensive list of the risks and uncertainties we face. Investors should carefully consider all of the information in this prospectus, including information under Risk Factors, prior to making an investment in our Class A common stock.

Structure and Reorganization

The diagram below depicts our organizational structure after the reorganization transactions and the consummation of this offering.

(1) Represents MNA Advisors, Inc., M&N Advisory Advantage Corporation and M&N Alternative Opportunities, Inc. EXA Advisors, Inc. is a wholly-owned subsidiary of M&N Advisory Advantage Corporation.

(2) Each S-Corp and Manning & Napier Capital Company, LLC is majority owned by William Manning, with a minority interest held by 47 of our employees.

(3) Manning & Napier Associates, LLC is majority owned by William Manning, directly and indirectly through Manning Ventures, Inc., with a minority interest held by B. Reuben Auspitz.

(4) In connection with the reorganization transactions, M&N Group Holdings granted Class B units to (i) William Manning as part of the overall agreement among William Manning and the other owners of the Manning & Napier Companies to consummate the reorganization and (ii) Richard Goldberg for strategic consulting services Mr. Goldberg has performed and will perform for the Manning & Napier Companies. The Class B units of M&N Group Holdings granted to William Manning will vest upon the consummation of this offering. William Manning will not have any rights as a member under the amended and restated limited liability company agreement of M&N Group Holdings until such time, including, without limitation, rights with respect to voting, allocations and distributions of M&N Group Holdings. The Class B units of M&N Group Holdings granted to Richard Goldberg represent approximately 0.4% of the outstanding Class B units and approximately 0.1% of the outstanding voting and economic rights of M&N Group Holdings as of the consummation of this offering.

(5) Prior to the effectiveness of the registration statement of which this prospectus forms a part, Manning & Napier Group granted Class B units to each of Patrick Cunningham, our chief executive officer, and James Mikolaichik, our chief financial officer. The Class B units of Manning & Napier Group granted to Patrick Cunningham represent less than 0.1% of the outstanding voting and economic rights of Manning & Napier Group as of the consummation of this offering. The Class B units of Manning & Napier Group granted to James Mikolaichik do not have any voting or economic rights of Manning & Napier Group as of the consummation of this offering.

(6) Manning & Napier, Inc. is the sole managing member of Manning & Napier Group, LLC.

(7) Represents Manning & Napier Advisors, LLC, Manning & Napier Advisory Advantage Company, LLC, Exeter Advisors I, LLC, Manning & Napier Alternative Opportunities, LLC, Perspective Partners LLC, Manning & Napier Information Services, LLC, Manning & Napier Investor Services, Inc. and Exeter Trust Company.

Reorganization Transactions

We entered into a series of transactions to reorganize our capital structure prior to this offering. We refer throughout this prospectus to the transactions described below as the reorganization transactions or the reorganization.

Revisions to our Organizational Structure. Prior to the reorganization transactions and this offering, we were a group of privately-held, affiliated companies comprising the Manning & Napier Companies. Five of these companies were majority owned by William Manning, our Chairman and controlling stockholder, with a minority interest held by 47 of our employees, and two of these companies were majority owned by William Manning, directly and indirectly through Manning Ventures, Inc., with a minority interest held by B. Reuben Auspitz, our Vice-Chairman. See Our Structure and Reorganization Structure Prior to the Reorganization Transactions.

Prior to this offering, we had a mandatory redemption obligation upon the death of William Manning to pay his estate his pro rata share of net revenue for the four quarters immediately preceding his death. The Manning & Napier Companies recognized a liability for shares subject to mandatory redemption of $170.3 million and $211.5 million as of December 31, 2010 and September 30, 2011, respectively, which represents the amount that would have been paid if settlement had occurred on the respective reporting date. Our liability related to this mandatory redemption obligation was calculated each fiscal quarter, and the change in the liability was reflected as a non-cash interest expense. As part of the overall agreement among William Manning and the other owners of the Manning & Napier Companies to consummate this offering, such mandatory redemption obligation will terminate upon the consummation of this offering and we will no longer reflect in our financial statements non-cash interest expense or the liability related to such obligation. See Management s Discussion and Analysis of Financial Condition and Results of Operations.

Capital Stock. Prior to the consummation of this offering, we will amend and restate our certificate of incorporation to authorize two classes of common stock, Class A common stock and Class B common stock. We will issue shares of Class A common stock to the public pursuant to this offering and, prior to the consummation of this offering, we will issue 1,000 shares of our Class B common stock to William Manning. Each share of Class A common stock will entitle its holder to one vote per share. The holder of our Class B common stock will have a majority of the combined voting power of our capital stock through his ownership of 100% of our outstanding Class B common stock. See Description of Capital Stock.

Equity Ownership Interests. In connection with the reorganization transactions, additional ownership interests in M&N Group Holdings were granted to William Manning pursuant to the amended and restated limited liability company agreement of M&N Group Holdings, as part of the overall agreement among William Manning

Table of Contents

and the other owners of the Manning & Napier Companies to consummate the reorganization. In addition, upon the consummation of this offering, certain of the Manning & Napier Companies will adopt new vesting terms related to the current ownership interests of our employees, including our named executive officers other than William Manning. Such individuals will be entitled to 15% of their pre-reorganization ownership interests upon the consummation of this offering, and an additional 5% of such ownership interests will vest as of each of the first, second and third anniversaries of the consummation of this offering, provided such individuals are employed by us as of such date (employment-based vesting). The remaining ownership interests will be subject to performance-based vesting on or after each of the first, second and third anniversaries of this offering (subject to an initial two-year lockup period and other selling restrictions), to be determined by a vesting committee of MNA (performance-based vesting). Such new vesting terms will not result in dilution to the number of outstanding shares of our Class A common stock. As a result of such vesting requirements, we will recognize non-cash compensation charges which will be fully realized by the end of 2014. We will also recognize an additional one-time non-cash compensation charge in 2011 related to the additional ownership interests that were granted to William Manning.

Notwithstanding these vesting requirements, in the event William Manning sells any portion of his interests in the Manning & Napier Companies following the consummation of this offering, each of our other employee-owners will have the right to sell a pro rata amount of such individuals indirect ownership interest in Manning & Napier Group, and if any individual does not at such time have fully vested ownership interests sufficient to allow such participation, an amount of their ownership interests will vest to the extent necessary to allow them to participate in the pro rata sale. In addition, the aggregate sales in any calendar year by our employees, other than William Manning, of their respective interests will be limited to a number of shares equal to 1.5% (or such higher percentage as determined by the board of directors of MNA in its sole discretion) of the number of shares that would be outstanding immediately after this offering if M&N Group Holdings, MNCC and any other holder of units of Manning & Napier Group exchanged 100% of their respective units for shares of our Class A common stock. The 1.5% limit would be equal to 1,333,500 shares of our Class A common stock per year, or approximately 10.7% of the number of shares of our Class A common stock that will be outstanding immediately following this offering. This 1.5% limit will not apply to ownership interests entitled to vest as a result of sales by William Manning as described above. Upon William Manning s death and the dissolution of MNA, this 1.5% limit will be increased to allow our employees to pay any income taxes resulting from such dissolution.

See Our Structure and Reorganization Equity Ownership Interests.

Exchange Agreement. Upon the consummation of this offering, we will enter into an exchange agreement with M&N Group Holdings, MNCC and the other direct holders of all of the Class A units and Class B units of Manning & Napier Group, which are sometimes collectively referred to herein as units, that are not held by us at the time of this offering, which in the aggregate is equivalent to approximately 85.9% of our Class A common stock on a fully diluted as-exchanged basis.

Subject to certain restrictions set forth in the exchange agreement:

- with respect to the 57,320,319 Class A units of Manning & Napier Group held by M&N Group Holdings that are attributable to the interests of William Manning in M&N Group Holdings, commencing on the first anniversary of this offering, M&N Group Holdings may exchange up to 15% of such units (equivalent to 8,598,048 shares of our Class A common stock, or 68.7% of the number of shares of our Class A common stock that will be outstanding immediately following this offering) per year on behalf of William Manning; provided, that with respect to the exchanges permitted as of the first anniversary of the consummation of this offering, the 15% limit will be reduced by the 4,445,000 units attributable to his interests that will be purchased by us from M&N Group Holdings with proceeds from this offering; and with respect to the 17,950,394 Class A units of Manning & Napier Group held by M&N Group Holdings that are attributable to the interests of the other holders of M&N Group Holdings, all of whom are our employees, including our named executive officers, other than William Manning:

- commencing on the first anniversary of the consummation of this offering, M&N Group Holdings may exchange up to 5% of such Class A units (equivalent to 897,520 shares of our Class A common stock, or 7.1% of the number of shares of our Class A common stock that will be outstanding immediately following this offering) on behalf of such holders; and

- commencing on the second anniversary of the consummation of this offering, M&N Group Holdings may exchange the remaining Class A units, subject to the vesting requirements and selling restrictions as set forth above;

with respect to the 749,963 Class A units of Manning & Napier Group held by MNCC attributable to the interests of William Manning in MNCC, commencing on the second anniversary of this offering, MNCC may exchange up to 15% of such units (equivalent to 112,494 shares of our Class A common stock, or 0.9% of the number of shares of our Class A common stock that will be outstanding immediately following this offering) per year on behalf of William Manning; and

with respect to the 338,758 Class A units of Manning & Napier Group held by MNCC attributable to the interests of the other members of MNCC, all of whom are our employees, including our named executive officers, other than William Manning, commencing on the second anniversary of the consummation of this offering, MNCC may exchange such Class A units, subject to the vesting requirements and selling restrictions as set forth above, on behalf of such holders.

For any units of Manning & Napier Group exchanged following the consummation of this offering, we will (i) pay an amount of cash equal to the number of units exchanged multiplied by the value of one share of our Class A common stock, or, at our election, (ii) issue shares of our Class A common stock on a one-for-one basis, subject, in each case, to customary adjustments for stock splits, stock dividends and reclassifications and other similar transactions. As we receive units of Manning & Napier Group that are exchanged, our ownership of Manning & Napier Group will increase.

In addition, we intend to award equity-based incentives to certain employees pursuant to the Manning & Napier, Inc. 2011 Equity Compensation Plan, or the 2011 Plan, to align their interests with our stockholders. The 2011 Plan will provide for the grant of units of Manning & Napier Group as well as the grant of certain stock-based awards based on our Class A common stock. From time to time following the consummation of this offering, the holders of units of Manning & Napier Group granted pursuant to the 2011 Plan or otherwise, if any, shall become parties to the exchange agreement. Following the second anniversary of the consummation of this offering and the satisfaction of any vesting conditions set forth in the applicable agreements granting such holders such units or as otherwise determined by the compensation committee, such holders may exchange up to 25% of such units on each anniversary of the consummation of this offering for (i) an amount of cash equal to the number of units exchanged multiplied by the value of one share of our Class A common stock, or, at our election, (ii) shares of our Class A common stock on a one-for-one basis, subject, in each case, to customary adjustments for stock splits, stock dividends and reclassifications and other similar transactions. As we receive units of Manning & Napier Group that are exchanged, our ownership of Manning & Napier Group will increase.

See Our Structure and Reorganization Offering Transactions Exchange Agreement and Executive Compensation 2011 Equity Compensation Plan.

Tax Receivable Agreement. Upon the consummation of this offering, we will enter into a tax receivable agreement with M&N Group Holdings and MNCC, the other holders of Class A units of Manning & Napier

Table of Contents

Group, under which we will be required to pay to the holders of such Class A units 85% of the applicable cash savings, if any, in U.S. federal, state, local and foreign income tax that we actually realize, or are deemed to realize in certain circumstances, in periods after this offering as a result of any step-up in tax basis in Manning & Napier Group s assets resulting from (i) our purchase of such Class A units from M&N Group Holdings with a portion of the net proceeds of this offering, (ii) our purchases or exchanges of such Class A units from M&N Group Holdings and MNCC, respectively, for cash or shares of our Class A common stock and (iii) payments under the tax receivable agreement, including any tax benefits related to imputed interest deemed to be paid by us as a result of such agreement.

There is a possibility that not all of the 85% of the applicable cash savings will be paid to the selling or exchanging holder of Class A units at the time described above. If we determine that all or a portion of such applicable tax savings is in doubt, we will pay to the holders of such Class A units the amount attributable to the portion of the applicable tax savings that we determine is not in doubt and pay the remainder at such time as we reasonably determine the actual tax savings or that the amount is no longer in doubt.

See Our Structure and Reorganization Offering Transactions Tax Receivable Agreement.

Recent Developments

October 31, 2011 AUM

As of October 31, 2011, our preliminary total AUM was approximately $42.2 billion, compared to AUM of $38.8 billion as of September 30, 2011 and $36.6 billion as of October 31, 2010. Our October 31, 2011 preliminary AUM consisted of approximately $23.4 billion in separately managed accounts, compared to $21.6 billion as of September 30, 2011 and $21.7 billion as of October 31, 2010, and approximately $18.8 billion in mutual fund and collective investment trust assets, compared to $17.2 billion as of September 30, 2011 and $14.9 billion as of October 31, 2010.

This preliminary financial data has been prepared by and is the responsibility of our management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the foregoing preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

Rochester Business Alliance Top 100

On October 30, 2011, the Democrat and Chronicle, a Rochester-area newspaper, in conjunction with the Rochester Business Alliance, published its annual Top 100 list of Rochester s largest privately held companies, of which we were ranked number one.

Our Principal Stockholder

Upon and after the consummation of this offering, William Manning will hold a majority of the combined voting power of our capital stock through his ownership of 100% of our outstanding Class B common stock. Accordingly, William Manning will have the ability to approve or disapprove certain transactions and matters, including material corporate transactions.

Corporate Information

We were incorporated on June 22, 2011 under the laws of the State of Delaware. Our principal executive office is located at 290 Woodcliff Drive, Fairport, New York 14450, and our telephone number at that office is (585) 325-6880. The website address of our operating company is www.manning-napier.com. This website and information contained on, or that can be accessed through, the website are not part of this prospectus.

Table of Contents

THE OFFERING

Class A common stock offered by us	12,500,000 shares of Class A common stock.
Class A common stock to be outstanding immediately after this offering	12,500,000 shares of Class A common stock. If all units of Manning & Napier Group, other than those held by us, were exchanged for shares of our Class A common stock immediately after the consummation of this offering, 88,900,000 shares of Class A common stock would be outstanding immediately after this offering.
Class B common stock to be outstanding immediately after this offering	1,000 shares of Class B common stock.
Use of proceeds	We estimate that our net proceeds from this offering will be approximately $186.0 million, based on an assumed initial public offering price of $16.00 per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting underwriting discounts and commissions and estimated offering expenses payable by us of approximately $14.0 million.
	We intend to use approximately $41.6 million of the net proceeds from this offering to purchase Class A units of Manning & Napier Group from Manning & Napier Group, which in turn expects to use such net proceeds for general corporate purposes and strategic growth opportunities, including potential acquisitions and product seeding. Approximately one business day following the consummation of this offering, we intend to use approximately $140.9 million of the net proceeds from this offering to purchase Class A units of Manning & Napier Group held by M&N Group Holdings, which in turn expects to transfer such net proceeds to its members. William Manning, our current employees, including certain of our executive officers, and Richard Goldberg, directly and indirectly, collectively own 100% of the outstanding membership interests of M&N Group Holdings. The purchase price for each Class A unit will be equal to the price per share of our Class A common stock in this offering. The remaining net proceeds from this offering, or approximately $3.5 million, will be used by us for general corporate purposes. See Use of Proceeds.
Risk factors	See Risk Factors on page 19 of this prospectus for a discussion of factors you should carefully consider before deciding to invest in our Class A common stock.
Voting rights	One vote per share of Class A common stock. The holder of our Class B common stock will control a majority of the vote on all matters submitted to a vote of stockholders.
Dividend policy	Upon the completion of this offering, we will have no material assets other than our ownership of Class A units of Manning & Napier Group. Accordingly, our ability to pay dividends will depend on distributions from Manning & Napier Group. We intend to cause

Table of Contents

Manning & Napier Group to make distributions to us with available cash generated from its subsidiaries operations in an amount sufficient to cover any dividends we may pay. If Manning & Napier Group makes such distributions, M&N Group Holdings, MNCC and any other holders of its units generally will be entitled to receive equivalent distributions on a pro rata basis.

The declaration and payment of all future dividends, if any, will be at the sole discretion of our board of directors. In determining the amount of any future dividends, our board of directors will take into account:

- the financial results of Manning & Napier Group;
- our available cash, as well as anticipated cash requirements, including any debt servicing;
- our capital requirements and the capital requirements of our subsidiaries, including Manning & Napier Group;
- contractual, legal, tax and regulatory restrictions on, and implications of, the payment of dividends by us to our stockholders or by Manning & Napier Group to us, including the obligation of Manning & Napier Group to make tax distributions to its unitholders, including us;
- general economic and business conditions; and
- any other factors that our board of directors may deem relevant.

Following this offering, we intend to pay quarterly cash dividends. We expect that our first dividend will be paid in the second quarter of 2012 and will be approximately $0.16 per share of our Class A common stock. However, there is no assurance that sufficient cash will be available to pay any such dividends. See Dividend Policy.

Listing symbol MN

The number of shares of our Class A common stock to be outstanding after the completion of this offering excludes 76,400,000 shares of Class A common stock reserved for issuance upon the exchange of units of Manning & Napier Group held by or that may be granted to M&N Group Holdings, MNCC or any other holders of units of Manning & Napier Group.

Unless otherwise indicated, all information in this prospectus assumes and reflects:

- an initial public offering price of $16.00 per share, the mid-point of the estimated initial public offering price range set forth on the cover page of this prospectus; and no exercise by the underwriters of their right to purchase up to an aggregate of 1,875,000 additional shares to cover overallotments, if any.

Table of Contents

Summary Selected Historical and Pro Forma Combined Consolidated Financial Data

The following tables set forth summary selected historical combined consolidated financial data of the Manning & Napier Companies as of the dates and for the periods indicated. The summary selected combined consolidated statements of income data for the years ended December 31, 2008, 2009 and 2010, and the summary selected combined consolidated statements of financial condition data as of December 31, 2009 and 2010 have been derived from the Manning & Napier Companies audited combined consolidated financial statements included elsewhere in this prospectus. The summary selected combined consolidated statements of income data for the nine months ended September 30, 2010 and 2011 and the summary selected combined consolidated statement of financial condition as of September 30, 2011 have been derived from the Manning & Napier Companies unaudited combined consolidated financial statements included elsewhere in this prospectus. These unaudited combined consolidated financial statements have been prepared on substantially the same basis as our audited combined consolidated financial statements and include all adjustments that we consider necessary for a fair statement of our combined consolidated statements of income and financial condition for the periods and as of the dates presented therein. Our results for the nine months ended September 30, 2011 are not necessarily indicative of our results for a full fiscal year.

The following table also presents the summary selected unaudited pro forma combined consolidated financial data of Manning & Napier, to give effect to all of the transactions described under Unaudited Pro Forma Combined Consolidated Financial Information, including the reorganization transactions and this offering. You should read the following summary selected historical combined consolidated financial data of the Manning & Napier Companies and the unaudited pro forma financial information of Manning & Napier together with Our Structure and Reorganization, Unaudited Pro Forma Combined Consolidated Financial Information, Management s Discussion and Analysis of Financial Condition and Results of Operations and the historical combined consolidated financial statements and related notes included elsewhere in this prospectus.

Table of Contents

	Manning & Napier Companies					Manning & Napier, Inc.	
	Year Ended December 31,			Nine Months Ended September 30,		Pro Forma Year Ended December 31,	Pro Forma Nine Months Ended September 30,
	2008	2009	2010	2010	2011	2010	2011
				(unaudited)		(unaudited)	
	(in millions, except per share data)						
Statements of income data:							
Operating revenues							
Investment management services revenues	$ 145.6	$ 162.7	$ 255.5	$ 182.0	$ 249.6	$ 255.5	$ 249.6
Total operating revenues	145.6	162.7	255.5	182.0	249.6	255.5	249.6
Operating expenses							
Compensation and related costs	46.3	55.6	78.4	55.1	70.8	192.8 (1)	156.5 (1)
Sub-transfer agent and shareholder service costs	13.1	19.9	36.8	26.3	36.9	36.8	36.9
Other operating costs	20.7	22.3	25.3	18.2	25.2	25.3	25.2
Total operating expenses	80.1	97.8	140.5	99.6	132.9	254.9	218.6
Total operating income (loss)	65.5	64.9	115.0	82.4	116.7	0.6	31.0
Non-operating income (loss)							
Interest expense on shares subject to mandatory redemption (2)	(6.7)	(10.0)	(61.2)	(47.7)	(42.7)		
Interest expense	(0.1)		(0.1)				
Interest and dividend income	0.6	0.1	0.1			0.1	0.1
Net capital gains (losses) on investments	0.1	(0.2)					
Total non-operating income (loss)	(6.1)	(10.1)	(61.2)	(47.7)	(42.7)	0.1	0.1
Income (loss) before provision for income taxes	59.4	54.8	53.8	34.7	74.0	0.7	31.1
Provision for income taxes	0.4	0.4	0.7	0.6	0.8	6.3	6.7
Net income (loss)	$ 59.0	$ 54.4	$ 53.1	$ 34.1	$ 73.2	$ (5.6)(1)	$ 24.4 (1)
Less: net income (loss) attributable to noncontrolling interests						0.1 (1)	26.4 (1)
Net income (loss) attributable to Manning & Napier, Inc.						(5.7)(1)	(2.0)(1)
Per share data:							
Net income (loss) per share attributable to Manning & Napier, Inc.						(0.46)(1)	(0.16)(1)
Weighted average shares used in basic and diluted net income per share						12,500,000	12,500,000

(1) Upon the consummation of this offering, certain of the Manning & Napier Companies will modify the vesting terms related to the current ownership interests of our employees, including our named executive officers, other than William Manning. Such individuals will be entitled to 15% of their ownership interests upon the consummation of this offering, and 15% of their ownership interests over the subsequent three years. The remaining ownership interests will be subject to performance-based vesting over such three year period (subject to an initial two-year lockup period and other selling restrictions), to be determined by a vesting committee of MNA. Such new vesting terms will not result in dilution to the number of outstanding shares of our Class A common stock. As a result of such vesting requirements, we will recognize non-cash compensation charges through 2014. In addition, prior to the effectiveness of the registration statement of which this prospectus forms a part, each of Patrick Cunningham and James Mikolaichik were granted Class B units of Manning & Napier Group. As a result, we will recognize non-cash compensation charges through 2012 and 2014, respectively. Such amounts do not include non-recurring one-time non-cash compensation charges of approximately $214.9 million related to the Class B units of M&N Group Holdings, including approximately $213.0 million of such Class B units granted to William Manning and approximately $1.9 million of such Class B units granted to Richard Goldberg.

(2) Within interest expense, we have recognized expenses related to a mandatory redemption obligation upon the death of William Manning to pay his estate his pro rata share of net revenue for the four quarters immediately preceding his death. Our liability related to this mandatory redemption obligation was calculated each fiscal quarter, and the change in the liability was reflected as non-cash interest expense. As part of the overall agreement among William Manning and the other owners of the Manning & Napier Companies to consummate this offering, such mandatory redemption obligation will terminate upon the consummation of this offering and we will no longer reflect in our financial statements non-cash interest expense or the liability related to such obligations.

Table of Contents

	Manning & Napier Companies			Manning & Napier, Inc.
	As of December 31,		As of September 30,	Pro Forma as of September 30,
	2009	2010	2011	2011
			(unaudited)	(unaudited)
			(in millions)	
Statements of financial condition data:				
Total assets	$ 53.4	$ 68.3	$ 66.1	$ 184.1
Shares liability subject to mandatory redemption (1)	109.1	170.3	211.5	
Total liabilities	136.7	212.1	249.0	99.4

(1) Prior to this offering, we had a mandatory redemption obligation upon the death of William Manning to pay his estate his pro rata share of net revenue for the four quarters immediately preceding his death. Our liability related to this mandatory redemption obligation was calculated each fiscal quarter, and the change in the liability was reflected as non-cash interest expense. As part of the overall agreement among William Manning and the other owners of the Manning & Napier Companies to consummate this offering, such mandatory redemption obligation will terminate upon the consummation of this offering and we will no longer in our financial statements reflect non-cash interest expense or the liability related to such obligation.

	Manning & Napier Companies					Manning & Napier, Inc.	
	Year Ended December 31,			Nine Months Ended September 30,		Pro Forma Year Ended December 31,	Pro Forma Nine Months Ended September 30,
	2008	2009	2010	2010	2011	2010	2011
	(in millions, except per share data)						
Selected unaudited operating data:							
Assets under management (1)	$ 16,231.4	$ 28,271.3	$ 38,841.7	$ 35,020.8	$ 38,768.8		
Adjusted EBITDA (2)	66.7	65.8	116.4	83.5	117.5	116.6	117.7
Economic net income (2)						70.6	70.8
Economic net income per adjusted share (2)						0.80	0.79
Net client cash flows (3)	3,099.7	6,698.9	6,464.5	5,111.3	5,211.0		
Market appreciation (depreciation) (4)	(5,664.0)	5,341.0	4,105.9	1,638.2	(5,283.9)		

(1) Reflects the amount of money we managed for our clients as of the last day of the period.

(2) Our management uses non-GAAP financial measures to evaluate the profitability and efficiency of our business model. See page 17 of this prospectus for a reconciliation of these non-GAAP financial measures. Our non-GAAP financial measures may differ from similar measures used by other companies, even if similar terms are used to identify such measures.

(3) Reflects the amount of money our clients placed with us for management, and withdrew from our management, during the period, excluding appreciation (depreciation) due to market performance and fluctuations in exchange rates.

(4) Represents the appreciation (depreciation) of the value of our AUM during the period due to market performance and fluctuations in exchange rates, as well as income, such as dividends, earned on AUM.

Our management uses Adjusted EBITDA, economic income and economic net income as financial measures to evaluate the profitability and efficiency of our business model. Adjusted EBITDA, economic income and economic net income are not presented in accordance with GAAP. Economic income excludes from income before provision for income taxes:

- the non-cash interest expense associated with the liability for shares subject to mandatory redemption; and the reorganization-related share-based compensation, which results in non-cash compensation expense reported over the vesting period.

Historically, Adjusted EBITDA has included adjustments for provision for income taxes, interest income and expense and depreciation and amortization. On a pro forma basis, Adjusted EBITDA also includes an adjustment for reorganization-related share based compensation.

Economic net income is a non-GAAP measure of after-tax operating performance and equals our economic income less adjusted income taxes.

Table of Contents

Adjusted income taxes are estimated assuming the exchange of all outstanding Class A units and Class B units of Manning & Napier Group into our Class A common stock on a one-to-one basis. Therefore, all income (loss) of Manning & Napier Group allocated to the Class A units and Class B units of Manning & Napier Group is treated as if it were allocated to Manning & Napier. Economic net income per adjusted share is equal to economic net income divided by the weighted-average number of adjusted Class A common shares outstanding. The number of adjusted Class A common shares outstanding is determined by assuming that all Class A units and Class B units of Manning & Napier Group are converted into our Class A common stock on a one-to-one basis. Our management uses economic net income, among other financial data, to determine the earnings available to distribute as dividends to holders of our Class A common stock and to the holders of the Class A units and Class B units of Manning & Napier Group.

	Manning & Napier Companies					**Manning & Napier, Inc.**	
	Year Ended December 31,			**Nine Months Ended September 30,**		**Pro Forma Year Ended December 31,**	**Pro Forma Nine Months Ended September 30,**
	2008	**2009**	**2010**	**2010**	**2011**	**2010**	**2011**
				(unaudited)		(unaudited)	
	(dollar amounts in millions, except per share data)						
Reconciliation of non-GAAP financial measures:							
Net income (loss)	$ 59.0	$ 54.4	$ 53.1	$ 34.1	$ 73.2	$ (5.6)	$ 24.4
Provision for income taxes	0.4	0.4	0.7	0.6	0.8	6.3	6.7
Income (loss) before provision for income taxes	59.4	54.8	53.8	34.7	74.0	0.7	31.1
Reorganization-related share-based compensation (1)						114.4	85.7
Interest expense on shares subject to mandatory redemption (2)	6.7	10.0	61.2	47.7	42.7		
Economic income (3)	66.1	64.8	115.0	82.4	116.7	115.1	116.8
Interest expense	0.1		0.1				
Interest and dividend income	(0.6)	(0.1)	(0.1)			0.1	0.1
Depreciation and amortization	1.1	1.1	1.4	1.1	0.8	1.4	0.8
Adjusted EBITDA	66.7	65.8	116.4	83.5	117.5	116.6	117.7
Economic income (3)	66.1	64.8	115.0	82.4	116.7	115.1	116.8
Adjusted income taxes (4)						44.5	46.0
Economic net income						70.6	70.8
Reconciliation of non-GAAP per share financial measures:							
Net income (loss) per share						$ (0.06)	$ 0.27
Provision for income taxes per share						0.07	0.08
Income (loss) before provision for income taxes per share						0.01	0.35
Reorganization-related share-based compensation per share (1)						1.29	0.96
Economic income per share						1.30	1.31
Adjusted income taxes per share (4)						0.50	0.52
Economic net income per adjusted share						$ 0.80	$ 0.79

Weighted average basic and diluted shares of Class A common stock outstanding						12,500,000	12,500,000
Weighted average Class A units and Class B units						76,400,000	76,400,000
Weighted average adjusted Class A common stock outstanding (5)						88,900,000	88,900,000
Operating revenue	$ 145.6	$ 162.7	$ 255.5	$ 182.0	$ 249.6	$ 255.5	$ 249.6
Net income (loss) margin percentage	40.5%	33.4%	20.8%	18.7%	29.3%	(2.2%)	9.8%
Economic income margin percentage	45.4%	39.8%	45.0%	45.3%	46.8%	45.0%	46.8%
Adjusted EBITDA margin percentage	45.8%	40.4%	45.6%	45.9%	47.1%	45.6%	47.2%
Economic net income margin percentage						27.6%	28.4%

Table of Contents

(1) Upon the consummation of this offering, certain of the Manning & Napier Companies will modify the vesting terms related to the current ownership interests of our employees, including our named executive officers, other than William Manning. Such individuals will be entitled to 15% of their ownership interests upon the consummation of this offering, and 15% of their ownership interests over the subsequent three years. The remaining ownership interests will be subject to performance-based vesting over such three year period (subject to an initial two-year lockup period and other selling restrictions), to be determined by a vesting committee of MNA. Such new vesting terms will not result in dilution to the number of outstanding shares of our Class A common stock. As a result of such vesting requirements, we will recognize non-cash compensation charges through 2014. In addition, prior to the effectiveness of the registration statement of which this prospectus forms a part, each of Patrick Cunningham and James Mikolaichik were granted Class B units of Manning & Napier Group. As a result, we will recognize non-cash compensation charges through 2012 and 2014, respectively. Such amounts do not include non-recurring one-time non-cash compensation charges of approximately $214.9 million related to the Class B units of M&N Group Holdings, including approximately $213.0 million of such Class B units granted to William Manning and approximately $1.9 million of such Class B units granted to Richard Goldberg.

(2) Within interest expense, we have recognized expenses related to a mandatory redemption obligation upon the death of William Manning to pay his estate his pro rata share of net revenue for the four quarters immediately preceding his death. Our liability related to this mandatory redemption obligation was calculated each fiscal quarter, and the change in the liability was reflected as non-cash interest expense. As part of the overall agreement among William Manning and the other owners of the Manning & Napier Companies to consummate this offering, such mandatory redemption obligation will terminate upon the consummation of this offering and we will no longer reflect in our financial statements non-cash interest expense or the liability related to such obligation.

(3) The executives and other shareholders of the Manning & Napier Companies set forth below were allocated economic income for the periods indicated based on their pro rata ownership of the Manning & Napier Companies as follows:

	Year Ended December 31,			Nine Months Ended September 30,	
	2008	2009	2010	2010	2011
			(unaudited) (in millions)		
William Manning	$ 44.1	$ 42.7	$ 76.2	$ 54.5	$ 77.2
Patrick Cunningham	1.4	1.3	2.3	1.6	2.3
Jeffrey S. Coons	1.4	1.3	2.3	1.6	2.3
B. Reuben Auspitz	4.9	4.7	8.3	6.0	8.4
Charles H. Stamey	1.4	1.3	2.3	1.6	2.3
Beth H. Galusha	0.3	0.3	0.6	0.4	0.6
Other shareholders	12.6	13.2	23.0	16.7	23.6
Economic income	$ 66.1	$ 64.8	$ 115.0	$ 82.4	$ 116.7

(4) Represents an estimate of income tax expense by assuming the conversion of all Class A units and Class B units of Manning & Napier Group into our Class A common stock on a one-to-one basis. Therefore, all income (loss) of Manning & Napier Group allocated to the Class A units and Class B units of Manning & Napier Group is treated as if it were allocated to Manning & Napier, exclusive of any impacts from the tax receivable agreement with Manning & Napier Group, M&N Group Holdings and MNCC. See below for a reconciliation of the pro forma income tax provision calculated in the Article 11 pro forma financial statements included in this prospectus to adjusted income taxes used in this non-GAAP measure:

	Pro Forma Year Ended December 31, 2010	Pro Forma Nine Months Ended September 30, 2011
	(unaudited) (in millions)	
Pro Forma provision for income taxes (i)	$ 6.3	$ 6.7
Income tax provision on net income attributable to the non-controlling interests (ii)	38.2	39.3

Adjusted income taxes (iii)	$ 44.5	$ 46.0

(i) As described in the Article 11 pro forma financial statements included in this prospectus, as flow through entities, the Manning & Napier Companies were not historically subject to income taxes. An adjustment has been made to include assumed taxes at an effective tax rate of 899.4% and 21.4% for the twelve months ended December 31, 2010 and nine months ended September 30, 2011, respectively, reflecting assumed federal, state and local income taxes. The difference in the effective tax rate as compared to the U.S. federal income tax rate of 35% is primarily driven by non-cash compensation charges for which we will not receive a benefit.

(ii) Represents an estimate of income tax expense on the net income attributable to the non-controlling interests as these earnings are not subject to corporate level taxes.

(iii) Represents an estimate of income tax expense at an effective tax rate of 38.7% and 39.4% for the twelve months ended December 31, 2010 and nine months ended September 30, 2011, respectively, reflecting assumed federal, state and local income taxes.

(5) Represents the adjusted number of our Class A common shares outstanding by assuming the conversion of all Class A units and Class B units of Manning & Napier Group into our Class A common stock on a one-to-one basis.

Table of Contents

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks described below, together with the other information contained in this prospectus, before making your decision to invest in shares of our Class A common stock. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have an adverse impact on our business, results of operations, financial condition and cash flows. If any of the following risks develops into an actual event, the trading price of our Class A common stock could decline, and you could lose all or part of your investment.

Risks Related to our Business

Our revenues are dependent on the market value and composition of our AUM, all of which are subject to fluctuation due to factors outside of our control.

We derive the majority of our revenue from investment management fees, typically calculated as a percentage of the market value of our AUM. As a result, our revenues are dependent on the value and composition of our AUM, all of which are subject to fluctuation due to many factors, including:

Declines in prices of securities in our portfolios. The prices of the securities held in the portfolios we manage may decline due to any number of factors beyond our control, including, among others, declining stock or commodities markets, a general economic downturn, political uncertainty or acts of terrorism. The U.S. and global financial markets experienced extreme disruption in 2008 and the first quarter of 2009 and continue to be subject to an unusual amount of uncertainty and instability. Current conditions affecting the global financial markets include persistently high unemployment rates in the United States, continued weakness in many real estate markets, increased austerity measures by several European governments, regional turmoil in the Middle East, growing debt loads for many national and other governments and uncertainty about the consequences of governments discontinuing fiscal stimulus measures. Such factors could cause an unusual degree of volatility and price declines for securities in the portfolios we manage.

Redemptions and other withdrawals. Our investors generally may withdraw their funds at any time, on very short notice and without any significant penalty. A substantial portion of our revenue is derived from investment advisory agreements that are terminable by clients upon short notice or no notice and investors in the mutual funds we advise can redeem their investments in those funds at any time without prior notice. Our growth in AUM in recent years has included new clients and portfolios that may not have the same client retention characteristics as we have experienced in the past. In addition, in a declining stock market, the pace of redemptions could accelerate.

Investment performance. If our portfolios perform poorly, even over the short-term, as compared with our competitors or applicable third-party benchmarks, or the rankings of mutual funds we manage decline, we may lose existing AUM and have difficulty attracting new assets.

Declines in fixed income markets. For fixed income investments, the value of our AUM may decline as a result of changes in interest rates, available liquidity in the markets in which a security trades, an issuer s actual or perceived creditworthiness, or an issuer s ability to meet its obligations.

If any of these factors cause a decline in our AUM, it would result in lower investment management fees. If our revenues decline without a commensurate reduction in our expenses, our net income will be reduced and our business will be adversely affected.

Table of Contents

The loss of key investment professionals or members of our senior management team could have an adverse effect on our business.

We depend on the skills and expertise of qualified investment professionals and our success depends on our ability to retain key employees, including members of our senior management team. Our investment professionals possess substantial experience in investing and have been primarily responsible for the historically strong investment performance we have achieved. We particularly depend on our Senior Research Group, which is a team of ten senior analysts who manage our portfolios, and our executive management team, which is a group of five individuals led by Patrick Cunningham, our chief executive officer. The loss of any of these key individuals could limit our ability to successfully execute our business strategy and could have an adverse effect on our business.

Any of our investment or management professionals may resign at any time, subject to various covenants not to compete with us. In addition, employee-owners are subject to additional covenants not to compete. We do not carry any key man insurance on any employees at this time.

Competition for qualified investment, management, marketing and client service professionals is intense and we may fail to successfully attract and retain qualified personnel in the future. Our ability to attract and retain these personnel will depend heavily on the amount and structure of compensation and opportunities for equity ownership we offer. In connection with our transition to a public company, we intend to implement a compensation structure that uses a combination of cash and equity-based incentives as appropriate. We intend for overall compensation levels to remain commensurate with amounts paid to our named executive officers and other key employees in the past. However, our compensation may not be effective to recruit and retain the personnel we need, especially if our equity-based compensation does not return significant value to employees. Any cost-reduction initiative or adjustments or reductions to compensation could negatively impact our ability to retain key personnel. In addition, changes to our management structure, corporate culture and corporate governance arrangements, including the changes associated with, and resulting from, our reorganization and this offering, could negatively impact our ability to retain key personnel.

We derive substantially all of our revenues from contracts and relationships that may be terminated upon short or no notice.

We derive substantially all of our revenues from investment advisory and sub-advisor agreements, all of which are terminable by clients upon short notice or no notice and without any significant penalty. Our investment management agreements with mutual funds, as required by law, are generally terminable by the funds board of directors or a vote of the majority of the funds outstanding voting securities on not more than 60 days written notice. After an initial term, each fund s investment management agreement must be approved and renewed annually by such fund s board, including by its independent members. In addition, all of our separate account clients and some of the pooled investment vehicles, including mutual funds, that we sub-advise have the ability to re-allocate all or any portion of the assets that we manage away from us at any time with little or no notice. These investment management agreements and mutual fund and collective investment trust client relationships may be terminated or not renewed for any number of reasons. The decrease in revenues that could result from the termination of a material client relationship or group of client relationships could have an adverse effect on our business.

We may be required to reduce the fees we charge, or our fees may decline due to changes in our AUM composition, which could have an adverse effect on our profit margins and results of operations.

Our current fee structure may be subject to downward pressure due to a variety of factors, including a trend in recent years toward lower fees in the investment management industry. We may be required to reduce fees with respect to both the separate accounts we manage and the mutual funds we advise. In addition, we may charge lower fees to attract future new business as compared to our existing business, which may result in us having to reduce our fees with respect to our existing business accordingly. The investment management

Table of Contents

agreements pursuant to which we advise mutual funds are terminable on short notice and, after an initial term, are subject to an annual process of review and renewal by the funds boards. As part of that annual review process, the fund board considers, among other things, the level of compensation that the fund has been paying us for our services, and that process may result in the renegotiation of our fee structure or increase our obligations, thus increasing the cost of our performance. Further, in recent periods our average fee rate has been declining due to higher average separately managed account sizes triggered by market appreciation and new separately managed account clients. Any fee reductions on existing or future new business could have an adverse effect on our profit margins and results of operations.

Several of our portfolios involve investing principally in the securities of non-U.S. companies, which involve foreign currency exchange risk, and tax, political, social and economic uncertainties and risks.

As of September 30, 2011, approximately 37% of our AUM across all of our portfolios was invested in securities of non-U.S. companies. Fluctuations in foreign currency exchange rates could negatively affect the returns of our clients who are invested in these strategies. In addition, an increase in the value of the U.S. dollar relative to non-U.S. currencies is likely to result in a decrease in the U.S. dollar value of our AUM, which, in turn, could result in lower revenue since we report our financial results in U.S. dollars.

Investments in non-U.S. issuers may also be affected by tax positions taken in countries or regions in which we are invested as well as political, social and economic uncertainty, particularly as a result of the recent decline in global economic conditions. Declining tax revenues may cause governments to assert their ability to tax the local gains and/or income of foreign investors (including our clients), which could adversely affect clients interests in investing outside their home markets. Many financial markets are not as developed, or as efficient, as the U.S. financial markets and, as a result, those markets may have limited liquidity and higher price volatility and lack established regulations. Liquidity may also be adversely affected by political or economic events, government policies, social or civil unrest within a particular country, and our ability to dispose of an investment may also be adversely affected if we increase the size of our investments in smaller non-U.S. issuers. Non-U.S. legal and regulatory environments, including financial accounting standards and practices, may also be different, and there may be less publicly available information about such companies. These risks could adversely affect the performance of our strategies that are invested in securities of non-U.S. issuers and may be particularly acute in the emerging or less developed markets in which we invest.

We derive a substantial portion of our revenues from our Core Non-U.S. Equity portfolios.

As of September 30, 2011, approximately 32% of our AUM were invested in our Core Non-U.S. Equity portfolios. As a result, a substantial portion of our operating results depends upon the performance of our Core Non-U.S. Equity portfolios, and our ability to retain client assets in such portfolios. If a significant portion of the investors in our Core Non-U.S. Equity portfolios decide to withdraw their investments or terminate their investment management agreements for any reason, including poor investment performance or adverse market conditions, our revenues from these portfolios would decline, which could have an adverse effect on our earnings and financial condition.

The investment performance and/or the growth of our AUM may be constrained if appropriate investment opportunities are not available or if we close certain of our portfolios.

Our ability to deliver strong investment performance depends in large part on our ability to identify appropriate investment opportunities in which to invest client assets. If we are unable to identify sufficient appropriate investment opportunities for existing and new client assets on a timely basis, our investment performance could be adversely affected. The risk that sufficient appropriate investment opportunities may be unavailable is influenced by a number of factors, including general market conditions, and is likely to increase as and if our AUM increases, particularly if these increases occur very rapidly.

If we determine that sufficient investment opportunities are not available for some or all of our portfolios, or we believe that in order to remain competitive or continue to produce attractive returns from some

Table of Contents

or all of our portfolios we should limit the growth of those strategies, as we have done in the past, we may choose to limit the growth of the portfolio by limiting the rate at which we accept additional client assets for management under the portfolio, closing the portfolio to all or substantially all new investors or otherwise taking action to limit the flow of assets into the portfolio. If we misjudge the point at which it would be optimal to limit access to or close a portfolio, the investment performance of the portfolio could be negatively impacted. In addition, if we close access to a portfolio, we may offer a new portfolio to our clients, but we cannot guarantee that such new portfolio will attract clients or perform in a manner consistent with the closed portfolio. Limiting access to or closing a portfolio, while designed to enable us to remain competitive or continue to produce attractive returns, may be seen by some investors in our Class A common stock solely as a loss of revenue growth opportunities in the short-term, which could lead to a decrease in the value of our Class A common stock and a loss on your investment.

The significant growth we have experienced over the past nine years has been and may continue to be difficult to sustain, and we may have difficulty managing our growth effectively.

Our AUM have increased from $6.4 billion as of December 31, 2002 to $38.8 billion as of September 30, 2011. The rapid growth in our AUM represents a significant rate of growth that has been and may continue to be difficult to sustain. In particular, as the absolute amount of our AUM increases, it will be more difficult to maintain levels of growth similar to those we have experienced in the past. The future growth of our business will depend on, among other things:

- our ability to retain key investment professionals;
- our ability to attract investment professionals as necessary;
- our ability to devote sufficient resources to maintaining existing portfolios and to selectively develop new portfolios;
- our success in achieving superior investment performance from our portfolios;
- our ability to maintain and extend our distribution capabilities;
- our ability to deal with changing market conditions;
- our ability to maintain adequate financial and business controls; and
- our ability to comply with new legal and regulatory requirements arising in response to both the increased sophistication of the investment management industry and the significant market and economic events of the last few years.

Unless our growth results in an increase in our revenues that is proportionate to the increase in our costs associated with this growth, our future profitability will be adversely affected. In addition, failure to successfully diversify into new asset classes may adversely affect our growth strategy and our future profitability.

Our portfolios may not obtain attractive returns under certain market conditions or at all.

The goal of our investment process is to provide competitive absolute returns over full market cycles. Accordingly, our portfolios may not perform well as compared to benchmarks or other investment managers strategies during certain periods of time or under certain market conditions, including periods of market uncertainty and volatility similar to what we have experienced in recent months. Short-term underperformance may negatively affect our ability to retain clients and attract new clients. We are likely to be most out of favor when the markets are running on positive or negative price momentum and market prices become disconnected from underlying investment fundamentals, as was the case during the late 1990s as the technology market and mega cap stocks fueled the broad market upward. During and shortly

22

Table of Contents

following such periods of relative under performance, we are likely to see our highest levels of client turnover, even if our absolute returns are positive. Loss of client assets and the failure to attract new clients could adversely affect our revenues and growth.

***The historical returns of our existing portfolios may not be indicative of their future results or of the portfolios we may develop in the future*.**

We have presented the historical returns of our existing portfolios under Business Our Competitive Strengths Track Record of Consistent Investment Excellence through Multiple Market Cycles. The historical returns of our portfolios and the ratings and rankings we or the mutual funds that we advise have received in the past should not be considered indicative of the future results of these portfolios or of any other portfolios that we may develop in the future. The investment performance we achieve for our clients varies over time and the variance can be wide. The ratings and rankings we or the mutual funds we advise have received are typically revised monthly. The historical performance and ratings and rankings included in this prospectus are as of September 30, 2011 and for periods then ended except where otherwise stated. The performance we have achieved and the ratings and rankings received at subsequent dates and for subsequent periods may be higher or lower and the difference could be material. Our portfolios returns have benefited during some periods from investment opportunities and positive economic and market conditions. In other periods, such as in 2008 and the first quarter of 2009, general economic and market conditions have negatively affected our portfolios returns. These negative conditions may occur again, and in the future we may not be able to identify and invest in profitable investment opportunities within our current or future portfolios.

We depend on third-party distribution sources to market our portfolios and access our client base.

Our ability to attract additional assets to manage is dependent on our access to third-party intermediaries. We gain access to mutual fund investors and some retail and institutional clients through third parties, including mutual fund platforms and financial intermediaries. As of September 30, 2011, the largest relationship we have with a third party represents 5.3% of our total AUM and the mutual fund platform representing the largest portion of our fund assets represents an additional 5.7% of our total AUM. We compensate most of the intermediaries through which we gain access to investors in our mutual funds by paying fees, most of which are based on a percentage of assets invested in our mutual funds through that intermediary and with respect to which that intermediary provides services. These distribution sources and client bases may not continue to be accessible to us on terms we consider commercially reasonable, or at all. Limiting or the total absence of such access could have an adverse effect on our results of operations. Many of these consultants review and evaluate our products and our firm from time to time. Poor reviews or evaluations of a particular product, portfolio or us as an investment management firm may result in client withdrawals or may impair our ability to attract new assets through these intermediaries. In addition, the recent economic downturn and consolidation in the broker-dealer industry may lead to reduced distribution access and increases in fees we are required to pay to intermediaries. If such increased fees should be required, refusal to pay them could restrict our access to those client bases while paying them could adversely affect our profitability.

Our efforts to establish new portfolios or new products or services may be unsuccessful and could negatively impact our results of operations and our reputation.

As part of our growth strategy, we may seek to take advantage of opportunities to develop new portfolios consistent with our philosophy of managing portfolios to meet our clients objectives and using a team investment approach. The costs associated with establishing a new portfolio initially likely will exceed the revenues that the portfolio generates. If any such new portfolio performs poorly or fails to attract sufficient assets to manage, our results of operations could be negatively impacted. Further, a new portfolio s poor performance may negatively impact our reputation and the reputation of our other portfolios within the investment community. In addition, we have developed and may seek from time to time to develop new products and services to take advantage of opportunities involving technology, insurance, participant and plan sponsor education and other products beyond investment management. The development of these products and services could involve investment of financial and management resources and may not be successful in developing client relationships, which could have an adverse effect on our business. The cost to develop these products initially will likely exceed the revenue they generate. If establishing new portfolios or offering new products or services requires hiring new personnel, to the extent we are unable to recruit and retain sufficient personnel, we may not be successful in further diversifying our portfolios, client assets and business, which could have an adverse effect on our business and future prospects.

Our failure to comply with investment guidelines set by our clients, including the boards of mutual funds, and limitations imposed by applicable law, could result in damage awards against us and a loss of our AUM, either of which could adversely affect our reputation, results of operations or financial condition.

When clients retain us to manage assets on their behalf, they generally specify certain guidelines regarding investment allocation that we are required to follow in managing their portfolios. In addition, the boards of mutual funds we manage generally establish similar guidelines regarding the investment of assets in those funds. We are also required to invest the mutual funds assets in accordance with limitations under the U.S. Investment Company Act of 1940, as amended, or the 1940 Act, and applicable provisions of the Internal Revenue Code of 1986, as amended, or the Code. Other clients, such as plans subject to the Employee Retirement Income Security Act of 1974, as amended, or ERISA, or non-U.S. funds, require us to invest their assets in accordance with applicable law. Our failure to comply with any of these guidelines and other limitations could result in losses to clients or investors in our products which, depending on the circumstances, could result in our obligation to make clients whole for such losses. If we believed that the circumstances did not justify a reimbursement, or clients believed the reimbursement we offered was insufficient, clients could seek to recover damages from us, withdraw assets from our products or terminate their investment management agreement with us. Any of these events could harm our reputation and adversely affect our business.

A change of control of our company could result in termination of our investment advisory agreements.

Under the 1940 Act, each of the investment advisory agreements for Securities and Exchange Commission, or SEC, registered mutual funds that our affiliate, MNA, advises automatically terminates in the event of its assignment, as defined under the 1940 Act. If such an assignment were to occur, MNA could continue to act as adviser to any such fund only if that fund s board of directors and stockholders approved a new investment advisory agreement, except in the case of certain of the funds that we sub-advise for which only board approval would be necessary. In addition, under the U.S. Investment Advisers Act of 1940, as amended, or the Advisors Act, each of the investment advisory agreements for the separate accounts we manage may not be assigned without the consent of the client. An assignment may occur under the 1940 Act and the Advisers Act if, among other things, MNA undergoes a change of control. In certain other cases, the investment advisory agreements for the separate accounts we manage require the consent of the client for any assignment. If such an assignment occurs, we cannot be certain that MNA will be able to obtain the necessary approvals from the boards and stockholders of the mutual funds that it advises or the necessary consents from separate account clients.

Operational risks may disrupt our business, result in losses or limit our growth.

We are heavily dependent on the capacity and reliability of the communications, information and technology systems supporting our operations, whether developed, owned and operated by us or by third parties. Operational risks such as trading or operational errors or interruption of our financial, accounting, trading, compliance and other data processing systems, whether caused by fire, natural disaster or pandemic, power or telecommunications failure, act of terrorism or war or otherwise, could result in a disruption of our business, liability to clients, regulatory intervention or reputational damage, and thus adversely affect our business. Some types of operational risks, including, for example, trading errors, may be increased in periods of increased volatility, which can magnify the cost of an error. Although we have back-up systems in place, our back-up procedures and capabilities in the event of a failure or interruption may not be adequate, and the fact that we operate our business out of multiple physical locations may make such failures and interruptions difficult to

Table of Contents

address on a timely and adequate basis. As and if our client base, number of portfolios and/or physical locations increase, developing and maintaining our operational systems and infrastructure may become increasingly challenging, which could constrain our ability to expand our business. Any upgrades or expansions to our operations or technology to accommodate increased volumes of transactions or otherwise may require significant expenditures and may increase the probability that we will suffer system degradations and failures. In addition, if we are unsuccessful in executing any such upgrades or expansions, we may instead have to hire additional employees, which could increase operational risk due to human error. We also depend on our headquarters in Fairport, New York, where a majority of our employees, administration and technology resources are located, for the continued operation of our business. Any significant disruption to our headquarters could have an adverse effect on our business.

We depend on third-party service providers for services that are important to our business, and an interruption or cessation of such services by any such service providers could have an adverse effect on our business.

We depend on a number of service providers, including custodial and clearing firms, and vendors of communications and networking products and services. We cannot assure you that any of these providers will be able to continue to provide these services in an efficient manner or that they will be able to adequately expand their services to meet our needs. An interruption or malfunction in or the cessation of an important service by any third-party and our inability to make alternative arrangements in a timely manner, or at all, could have an adverse impact on our business, financial condition and operating results.

Employee misconduct could expose us to significant legal liability and reputational harm.

We operate in an industry in which integrity and the confidence of our clients are of critical importance. Accordingly, if any of our employees engage in illegal or suspicious activities or other misconduct, we could be subject to regulatory sanctions and suffer serious harm to our reputation, financial condition, client relationships and ability to attract new clients. For example, our business often requires that we deal with confidential information. If our employees were to improperly use or disclose this information, even if inadvertently, we could suffer serious harm to our reputation, financial condition and current and future business relationships. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent this activity may not always be effective. In addition, the SEC recently has increased its scrutiny of the use of non-public information obtained from corporate insiders by professional investors. Misconduct by our employees, or even unsubstantiated allegations of misconduct, could result in an adverse effect on our reputation and our business.

Improper disclosure of personal data could result in liability and harm our reputation.

We and our service providers store and process personal client information. It is possible that the security controls, training and other processes over personal data may not prevent the improper disclosure of client information. Such disclosure could harm our reputation as well and subject us to liability, resulting in increased costs or loss of revenue.

Failure to properly address conflicts of interest could harm our reputation, business and results of operations.

As we expand the scope of our business and our client base, we must continue to monitor and address any conflicts between our interests and those of our clients. The SEC and other regulators have increased their scrutiny of potential conflicts of interest, and we have implemented procedures and controls that we believe are reasonably designed to address these issues. However, appropriately dealing with conflicts of interest is complex and if we fail, or appear to fail, to deal appropriately with conflicts of interest, we could face reputational damage, litigation or regulatory proceedings or penalties, any of which could adversely affect our reputation, business and results of operations.

Table of Contents

If our techniques for managing risk are ineffective, we may be exposed to material unanticipated losses.

In order to manage the significant risks inherent in our business, we must maintain effective policies, procedures and systems that enable us to identify, monitor and control our exposure to operational, legal and reputational risks. Our risk management methods may prove to be ineffective due to their design or implementation, or as a result of the lack of adequate, accurate or timely information or otherwise. If our risk management efforts are ineffective, we could suffer losses that could have an adverse effect on our financial condition or operating results. Additionally, we could be subject to litigation, particularly from our clients, and sanctions or fines from regulators. Our techniques for managing risks in client portfolios may not fully mitigate the risk exposure in all economic or market environments, or against all types of risk, including risks that we might fail to identify or anticipate.

The cost of insuring our business is substantial and may increase.

Our insurance costs are substantial and can fluctuate significantly from year to year. In addition, certain insurance coverage may not be available or may only be available at prohibitive costs. As we renew our insurance policies, we may be subject to additional costs resulting from rising premiums, the assumption of higher deductibles or co-insurance liability and, to the extent certain of our mutual funds purchase separate director and officer or errors and omissions liability coverage, an increased risk of insurance companies disputing responsibility for joint claims. In addition, we intend to obtain additional liability insurance for our directors and officers in connection with this offering. Higher insurance costs and incurred deductibles, as with any expense, would reduce our net income.

We may elect to pursue growth in the United States and abroad through acquisitions or joint ventures, which would expose us to risks inherent in assimilating new operations, expanding into new jurisdictions, and making non-controlling minority investments in other entities.

In order to maintain and enhance our competitive position, we may review and pursue acquisition and joint venture opportunities. We cannot assure we will identify and consummate any such transactions on acceptable terms or have sufficient resources to accomplish such a strategy. In addition, any strategic transaction can involve a number of risks, including:

- additional demands on our staff;
- unanticipated problems regarding integration of investor account and investment security recordkeeping, operating facilities and technologies, and new employees;
- adverse effects in the event acquired intangible assets or goodwill become impaired;
- the existence of liabilities or contingencies not disclosed to or otherwise known by us prior to closing such a transaction; and
- dilution to our public stockholders if we issue shares of our Class A common stock, or units of Manning & Napier Group with exchange rights, in connection with future acquisitions.

Risks Related to our Industry

We are subject to extensive regulation.

We are subject to extensive regulation for our investment management business and operations, including regulation by the SEC under the 1940 Act and the Advisers Act, by the U.S. Department of Labor under ERISA, and by the Financial Industry Regulatory Authority, Inc., or FINRA. The U.S. mutual funds we advise are registered with and regulated by the SEC as investment companies under the 1940 Act. The Advisers Act imposes numerous obligations on investment advisers including record keeping, advertising and operating requirements, disclosure obligations and prohibitions on fraudulent activities. The 1940 Act imposes similar obligations, as well as additional detailed operational requirements, on registered investment companies, which

26

must be adhered to by their investment advisers. The U.S. mutual funds that we advise and our broker-dealer subsidiary are each subject to the USA PATRIOT Act of 2001, which requires them to know certain information about their clients and to monitor their transactions for suspicious financial activities, including money laundering. The U.S. Office of Foreign Assets Control, or OFAC, has issued regulations requiring that we refrain from doing business, or allow our clients to do business through us, in certain countries or with certain organizations or individuals on a list maintained by the U.S. government. In addition, Manning & Napier Benefits, LLC is a registered insurance broker with the New York State Insurance Department and, as such, is subject to various insurance and health-related rules and regulations.

Our failure to comply with applicable laws or regulations could result in fines, censure, suspensions of personnel or other sanctions, including revocation of our registration as an investment adviser. Even if a sanction imposed against us or our personnel is small in monetary amount, the adverse publicity arising from the imposition of sanctions against us by regulators could harm our reputation, result in withdrawal by our clients from our products and impede our ability to retain clients and develop new client relationships, which may reduce our revenues.

We face the risk of significant intervention by regulatory authorities, including extended investigation and surveillance activity, adoption of costly or restrictive new regulations and judicial or administrative proceedings that may result in substantial penalties. Among other things, we could be fined or be prohibited from engaging in some of our business activities. The requirements imposed by our regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with us, and are not designed to protect our stockholders. Accordingly, these regulations often serve to limit our activities, including through net capital, customer protection and market conduct requirements.

The regulatory environment in which we operate is subject to continual change, and regulatory developments designed to increase oversight could adversely affect our business.

The legislative and regulatory environment in which we operate has undergone significant changes in the recent past. We believe that significant regulatory changes in our industry are likely to continue on a scale that exceeds the historical pace of regulatory change, which is likely to subject industry participants to additional, more costly and generally more punitive regulation. For example, on July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank, was enacted. Dodd-Frank introduces considerable changes to financial industry regulation, which could impact our business in significant ways. These new laws and regulations can be expected to place greater compliance and administrative burdens on us, which likely will increase our expenses without increasing our revenues. However, many of Dodd-Frank s provisions require the adoption of regulations by various federal agencies and departments and it is difficult to predict all of the effects Dodd-Frank may have on us until final rules have been adopted.

New laws or regulations, or changes in the enforcement of existing laws or regulations, applicable to us and our clients could adversely affect our business. Our ability to function in this environment will depend on our ability to constantly monitor and promptly react to legislative and regulatory changes. There have been a number of highly publicized regulatory inquiries that have focused on the investment management industry. These inquiries already have resulted in increased scrutiny of the industry and new rules and regulations for mutual funds and investment managers. This regulatory scrutiny may limit our ability to engage in certain activities that might be beneficial to our shareholders. Further, adverse results of regulatory investigations of mutual fund, investment advisory and financial services firms could tarnish the reputation of the financial services industry generally and mutual funds and investment advisers more specifically, causing investors to avoid further fund investments or redeem their account balances. Redemptions would decrease our AUM, which would reduce our advisory revenues and net income.

In addition, recently there has been intense public and regulatory interest in 401(k) plan fees and expenses. Lawsuits have been brought against plan sponsors and service providers charging that they breached

Table of Contents

their fiduciary duties related to such fees and expenses, and the U.S. Department of Labor has imposed substantial additional fee disclosure requirements. These developments may adversely affect our business.

Further, as a result of the recent economic downturn, acts of serious fraud in the investment management industry and perceived lapses in regulatory oversight, U.S. and non-U.S. governmental and regulatory authorities may increase regulatory oversight of our business. We may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations, as well as by U.S. courts. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business.

The investment management industry is intensely competitive.

The investment management industry is intensely competitive, with competition based on a variety of factors, including investment performance, investment management fee rates, continuity of investment professionals and client relationships, the quality of services provided to clients, corporate positioning and business reputation, continuity of selling arrangements with intermediaries and differentiated products. A number of factors, including the following, serve to increase our competitive risks:

- a number of our competitors have greater financial, technical, marketing and other resources, more comprehensive name recognition and more personnel than we do;

- potential competitors have a relatively low cost of entering the investment management industry;

- the recent trend toward consolidation in the investment management industry, and the securities business in general, has served to increase the size and strength of a number of our competitors;

- some investors may prefer to invest with an investment manager that is not publicly traded based on the perception that a publicly traded asset manager may focus on the manager s own growth to the detriment of investment performance for clients;

- some competitors may invest according to different investment styles or in alternative asset classes that the markets may perceive as more attractive than the portfolios we offer;

- some competitors may have more attractive investment returns due to current market conditions;

- some competitors may operate in a different regulatory environment than we do, which may give them certain competitive advantages in the investment products and portfolio structures that they offer;

- other industry participants, hedge funds and alternative asset managers may seek to recruit our investment professionals; and

- some competitors charge lower fees for their investment services than we do.

If we are unable to compete effectively, our revenues could be reduced and our business could be adversely affected.

The investment management industry faces substantial litigation risks, which could adversely affect our business, financial condition or results of operations or cause significant reputational harm to us.

We depend to a large extent on our network of relationships and on our reputation to attract and retain client assets. If a client is not satisfied with our services, its dissatisfaction may be more damaging to our

Table of Contents

business than client dissatisfaction would be to other types of businesses. We make investment decisions on behalf of our clients that could result in substantial losses to them. If our clients suffer significant losses, or are otherwise dissatisfied with our services, we could be subject to the risk of legal liabilities or actions alleging negligent misconduct, breach of fiduciary duty, breach of contract, unjust enrichment and/or fraud. These risks are often difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time, even after an action has been commenced. We may incur significant legal expenses in defending against litigation whether or not we engaged in conduct as a result of which we might be subject to legal liability. Substantial legal liability or significant regulatory action against us could adversely affect our business, financial condition or results of operations or cause significant reputational harm to us.

Catastrophic and unpredictable events could have an adverse effect on our business.

A terrorist attack, war, power failure, cyber-attack, natural disaster or other catastrophic or unpredictable event could adversely affect our future revenues, expenses and earnings by:

- decreasing investment valuations in, and returns on, the assets that we manage;
- causing disruptions in national or global economies that decrease investor confidence and make investment products generally less attractive;
- interrupting our normal business operations;
- sustaining employee casualties, including loss of our key members of our senior management team or our investment team;
- requiring substantial expenditures and expenses to repair, replace and restore normal business operations; and
- reducing investor confidence.

We have a disaster recovery plan to address certain contingencies, but we cannot be assured that this plan will be sufficient in responding or ameliorating the effects of all disaster scenarios. If our employees or vendors we rely upon for support in a catastrophic event are unable to respond adequately or in a timely manner, we may lose clients resulting in a decrease in AUM which may have an adverse effect on revenues and net income.

Risks Related to Our Structure and the Reorganization

Control of a majority of the combined voting power of our capital stock by William Manning, and ownership of approximately 86.9% of Manning & Napier Group s ownership interests by our existing owners, including William Manning, may give rise to conflicts of interest; failure to properly address these or other conflicts of interests could harm our reputation, business and results of operations.

Immediately after the consummation of this offering, William Manning will hold a majority of the combined voting power of our capital stock through his ownership of 100% of our outstanding Class B common stock. Accordingly, William Manning, acting alone, will have the ability to approve or disapprove substantially all transactions and other matters submitted to a vote of shareholders, including those relating to the tax receivable agreement, the exchange agreement and other material corporate transactions, such as a merger, consolidation, dissolution or sale of all or substantially all of our assets, the issuance or redemption of certain additional equity interests, and the election of directors. These voting and class approval rights may enable William Manning to consummate transactions that may not be in the best interests of holders of our Class A common stock or, conversely, prevent the consummation of transactions that may be in the best interests of

Table of Contents

holders of our Class A common stock. In addition, although he will have voting control of Manning & Napier, all of William Manning s economic interests in us will be in the form of his indirect interests in Manning & Napier Group, the payments he may receive from Manning & Napier under the tax receivable agreement, and the proceeds he may receive as a result of M&N Group Holdings and MNCC exchanging the interests attributable to him in Manning & Napier Group for cash or, at our election, shares of our Class A common stock and, in the case of exchanges for shares of our Class A common stock, from selling such Class A common stock. As a result, William Manning s economic interests may conflict with the interests of Manning & Napier and its public stockholders.

Immediately after the reorganization transactions and the consummation of this offering, our existing owners, including William Manning, will indirectly hold, through their ownership of M&N Group Holdings and MNCC, approximately 86.9% of the ownership interests in Manning & Napier Group which, as discussed elsewhere in this prospectus, is our sole source of revenue. M&N Group Holdings and MNCC are entities controlled by William Manning, who, through his ownership of M&N Group Holdings and MNCC will, immediately following the reorganization transactions and the consummation of this offering, indirectly own a total of 66.13% of the ownership interests in Manning & Napier Group. All of the other owners of interests in M&N Group Holdings and MNCC are current employees of ours, including our executive officers. Further, such employees have the right to cause M&N Group Holdings and MNCC to exchange their indirect interests in Manning & Napier Group for cash or shares of our Class A common stock. If they exercise this right in sufficient amounts, receive shares of our Class A common stock and do not resell such shares, it is possible that after the cancellation of our Class B common stock (as described under Description of Capital Stock Class B Common Stock), these employees may control us. The interests of these existing owners may conflict with our interests and the interests of the holders of our Class A common stock. Decisions of our existing owners with respect to Manning & Napier Group, including those relating to the tax receivable agreement, the exchange agreement and the structuring of future transactions, may take into consideration these existing owners tax or other considerations even where no similar benefit would accrue to us or the holders of our Class A common stock.

In addition, as we expand the scope of our business and our client base, we may have conflicts between our interests, those of the holders of our Class A common stock and those of our clients and fund investors. The SEC and other regulators have increased their scrutiny of potential conflicts of interest, and we have implemented procedures and controls that we believe are reasonably designed to address these issues. However, appropriately dealing with conflicts of interest is complex and if we fail, or appear to fail, to deal appropriately with conflicts of interest, we could face reputational damage, litigation or regulatory proceedings or penalties, any of which may adversely affect our results of operations.

We will recognize substantial non-cash compensation expense through 2014, which is likely to cause our net income to be negative for 2011 and 2012.

Upon the consummation of this offering, certain of the Manning & Napier Companies will adopt new vesting terms related to the current ownership interests of our employees, including our named executive officers, other than William Manning. As a result, we will be required to recognize substantial non-cash compensation expense in each year through 2014. In addition, prior to the effectiveness of the registration statement of which this prospectus forms a part, each of Patrick Cunningham and James Mikolaichik will be granted Class B units of Manning & Napier Group. As a result, we will recognize non-cash compensation charges through 2012 and 2014, respectively. Further, additional ownership interests in M&N Group Holdings were granted to William Manning in connection with the reorganization transactions pursuant to the amended and restated limited liability company agreement of M&N Group Holdings, as part of the overall agreement among William Manning and the other owners of the Manning & Napier Companies to consummate the reorganization. As a result, we will recognize a one-time non-cash compensation expense equal to approximately $213.0 million in 2011. These expenses will significantly reduce our reported GAAP net income for 2011-2014, and it is likely that our net income for 2011 and 2012 will be negative as a result. See Our Structure and Reorganization Equity Ownership Interests.

Table of Contents

Because we are a controlled company within the meaning of the New York Stock Exchange listing rules, our board of directors is not required to consist of a majority of independent directors, and you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the New York Stock Exchange. William Manning will have a controlling influence over our board, and the interests of William Manning may conflict with the interests of our other stockholders.

Because William Manning will hold a majority of the combined voting power of our capital stock through his ownership of 100% of our outstanding Class B common stock, we will be considered a controlled company for the purposes of the New York Stock Exchange, or NYSE, listing requirements. As such, we are permitted to, and may, opt out of the corporate governance requirements that our board of directors, our compensation committee and our nominating and corporate governance committee meet the standard of independence established by the NYSE. As a result, our board of directors and compensation committee may have more directors who do not meet the independence standards than they would if those standards were to apply. In particular, so long as we are a controlled company, we will be exempt from the NYSE rule that requires that a board be comprised of a majority of independent directors. Further, William Manning will have a controlling influence over our board, as William Manning will have sufficient voting power to elect the entire board, and our certificate of incorporation permits stockholders to remove directors at any time with or without cause. In addition, although we have established a nominating and corporate governance committee, we may opt out of the NYSE s requirement that such committee contain independent directors. You will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE, and circumstances may occur in which the interests of William Manning could conflict with the interests of our other stockholders.

Our ability to pay regular dividends to our stockholders is subject to the discretion of our board of directors and may be limited by our structure and applicable provisions of Delaware law.

Following completion of this offering, we intend to declare cash dividends on our Class A common stock as described in Dividend Policy. However, our board of directors may, in its sole discretion, change the amount or frequency of dividends or discontinue the payment of dividends entirely. In addition, because of our structure, we will be dependent upon the ability of our subsidiaries to generate earnings and cash flows and distribute them to us so that we may pay dividends to our stockholders. We expect to cause Manning & Napier Group to make distributions to its members, including us, in an amount sufficient for us to pay dividends. However, its ability to make such distributions will be subject to its and its subsidiaries operating results, cash requirements and financial condition, the applicable laws of the State of Delaware, which may limit the amount of funds available for distribution, and its compliance with covenants and financial ratios related to any indebtedness it has or may incur in the future. As a consequence of these various limitations and restrictions, we may not be able to make, or may have to reduce or eliminate, the payment of dividends on our Class A common stock. Any change in the level of our dividends or the suspension of the payment thereof could adversely affect the market price of our Class A common stock.

We will depend on distributions from Manning & Napier Group to pay taxes and expenses, including payments under the tax receivable agreement, but Manning & Napier Group s ability to make such distributions will be subject to various limitations and restrictions.

Upon the consummation of this offering, we intend to use approximately $41.6 million of the net proceeds we receive from this offering to purchase Class A units of Manning & Napier Group from Manning & Napier Group, approximately $140.9 million of such net proceeds to purchase Class A units of Manning & Napier Group held by M&N Group Holdings, and the remaining portion of the net proceeds, or approximately $3.5 million, will be used by us for general corporate purposes. Accordingly, upon the consummation of this offering, we will have no material assets other than our ownership of Class A units of Manning & Napier Group and will have no independent means of generating revenue. Manning & Napier Group will be treated as a partnership for U.S. federal income tax purposes and, as such, will not be subject to U.S. federal income tax. Instead, taxable income will be allocated to holders of its units, including us. Accordingly, we will incur income taxes on our allocable share of any net taxable income of Manning & Napier Group. Under the terms of its amended and restated limited liability company operating agreement, Manning & Napier Group will be obligated to make tax distributions to holders of its units, including us. In addition to tax expenses, we also will incur expenses related to our operations, including expenses under the tax receivable agreement, which we expect will be significant. We intend, as its managing member, to cause Manning & Napier Group to make distributions in an amount sufficient to allow us to pay our taxes and operating expenses, including any payments due under the tax receivable agreement. However, Manning & Napier Group s ability to make such distributions will be subject to various limitations and restrictions including, but not limited to, restrictions on distributions that would violate any contract or agreement to which Manning & Napier Group is then a party or any applicable law or that would have the effect of rendering Manning & Napier Group insolvent. If we do not have sufficient funds to pay tax or other liabilities to fund our operations, we may have to borrow funds, which could adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders. To the extent that we are unable to make payments under the tax receivable agreement for any reason, such payments will be deferred and will accrue interest until paid.

We will be required to pay holders of units of Manning & Napier Group for certain tax benefits we may claim as a result of the tax basis step up we realize in connection with the future purchases or exchanges of those units for shares of our Class A common stock, and the amounts we may pay could be significant.

Our existing owners will indirectly hold a substantial majority of the ownership interests in Manning & Napier Group after the reorganization transactions and the consummation of this offering. Any future purchases or exchanges of their units of Manning & Napier Group for cash or, at our election, shares of our Class A common stock are expected to produce favorable tax attributes for us. When we acquire such units from existing holders, both the existing basis and the anticipated basis adjustments are likely to increase, for tax purposes, depreciation and amortization deductions allocable to us from Manning & Napier Group and therefore reduce the amount of income tax we would otherwise be required to pay in the future. This increase in tax basis may also decrease gain, or increase loss, on future dispositions of certain capital assets to the extent the increased tax basis is allocated to those capital assets.

Upon the consummation of this offering, we will enter into a tax receivable agreement with M&N Group Holdings and MNCC, the other holders of Class A units of Manning & Napier Group, pursuant to which we will be required to pay to such holder of such Class A units 85% of the applicable cash savings, if any, in U.S. federal, state, local and foreign income tax that we actually realize, or are deemed to realize in certain circumstances, in periods after this offering as a result of any step-up in tax basis in Manning & Napier Group s assets resulting from (i) our purchase of such Class A units from M&N Group Holdings with a portion of the net proceeds of this offering, (ii) our purchases or exchanges of such Class A units from M&N Group Holdings and MNCC, respectively, for cash or, at our election, shares of our Class A common stock and (iii) payments under the tax receivable agreement, including any tax benefits related to imputed interest deemed to be paid by us as a result of such agreement.

We expect that the payments we will be required to make under the tax receivable agreement will be substantial. Assuming no material changes in the relevant tax law, that the purchase or exchange of Class A units would result in depreciable or amortizable basis and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreement, we expect that the reduction in tax payments for us associated with the purchase or exchange of all of the Class A units held by M&N Group Holdings and MNCC would aggregate approximately $72.8 million over a 15-year period based on an assumed price of $16.00 per share of our Class A common stock (the mid-point of the estimated initial public offering price range set forth on the cover page of this prospectus). Under such scenario, we would be required to pay the holders of such Class A units 85% of such amount, or $61.9 million, over the same 15-year period. The actual amounts may materially differ from these hypothetical amounts, as potential future reductions in tax payments for us and tax receivable agreement payments by us will be calculated using the market value of our Class A common stock and the prevailing tax rates at the time of purchase or exchange and will be dependent on us generating sufficient future taxable income to realize the benefit. In general, increases in the market value of our shares or in prevailing tax rates will

Table of Contents

increase the amounts we pay under the tax receivable agreement. See Our Structure and Reorganization Offering Transactions Tax Receivable Agreement.

The actual increase in tax basis, as well as the amount and timing of any payments under the tax receivable agreement, will vary depending upon a number of factors, including:

- the timing of exchanges by the holders of units of Manning & Napier Group, the number of units purchased or exchanged, or the price of our Class A common stock, as the case may be, at the time of the purchase or exchange;

- the amount and timing of the taxable income we generate in the future and the tax rate then applicable; and

- the portion of our payments under the tax receivable agreement constituting imputed interest and whether the purchases or exchanges result in depreciable or amortizable basis.

There is a possibility that not all of the 85% of the applicable cash savings will be paid to the selling or exchanging holder of Class A units at the time described above. If we determine that all or a portion of such applicable tax savings is in doubt, we will pay to the holders of such Class A units the amount attributable to the portion of the applicable tax savings that we determine is not in doubt and pay the remainder at such time as we determine the actual tax savings or that the amount is no longer in doubt.

Payments under the tax receivable agreement, if any, will be made pro rata among all tax receivable agreement holders entitled to payments on an annual basis to the extent we have sufficient taxable income to utilize the increased depreciation and amortization charges. The availability of sufficient taxable income to utilize the increased depreciation and amortization expense will not be determined until such time as the financial results for the year in question are known and tax estimates prepared, which typically occurs within 90 days after the end of the applicable taxable year.

In certain cases, payments under the tax receivable agreement to holders of Manning & Napier Group units may be accelerated and/or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement.

The tax receivable agreement provides that upon certain mergers, asset sales, other forms of business combinations or other changes of control, or if, at any time, we elect an early termination of the tax receivable agreement, our, or our successor s, obligations under the tax receivable agreement with respect to all Class A units of Manning & Napier Group, whether or not such units have been purchased or exchanged before or after such transaction, would be based on certain assumptions, including that we would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the tax receivable agreement. As a result, (i) we could be required to make payments under the tax receivable agreement that are greater than or less than the specified percentage of the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement and (ii) if we elect to terminate the tax receivable agreement early, we would be required to make an immediate payment equal to the present value of the anticipated future tax benefits, which payment may be made significantly in advance of the actual realization of such future benefits. In these situations, our obligations under the tax receivable agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. There can be no assurance that we will be able to finance our obligations under the tax receivable agreement. If we were to elect to terminate the tax receivable agreement immediately after this offering, based on an assumed price of $16.00 per share of our Class A common stock (the mid-point of the estimated initial public offering price range set forth on the cover page of this prospectus), we estimate that we would be required to pay $57.3 million in the aggregate under the tax receivable agreement. See Our Structure and Reorganization Offering Transactions Tax Receivable Agreement.

If we were deemed an investment company under the 1940 Act as a result of our ownership of Manning & Napier Group, applicable restrictions could make it impractical for us to continue our business as contemplated and could have an adverse effect on our business.

We do not believe that we are an investment company under the 1940 Act. Because we, as the sole managing member of Manning & Napier Group, control the management of and operate Manning & Napier Group, we believe that our interest in Manning & Napier Group is not an investment security as such term is used in the 1940 Act. If we were to cease participation in the management of Manning & Napier Group or not be deemed to control Manning & Napier Group, our interest in Manning & Napier Group could be deemed an investment security for purposes of the 1940 Act. A person may be an investment company if it owns investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items). Upon the consummation of this offering, our sole asset will be our equity investment in Manning & Napier Group. A determination that such investment is an investment security could cause us to be deemed an investment company under the 1940 Act and to become subject to the registration and other requirements of the 1940 Act. In addition, we do not believe that we are an investment company under Section 3(b)(1) of the 1940 Act because we are not primarily engaged in a business that causes us to fall within the definition of investment company. The 1940 Act and the rules thereunder contain detailed prescriptions for the organization and operations of investment companies. Among other things, the 1940 Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, prohibit the issuance of stock options, and impose certain governance requirements. We and Manning & Napier Group intend to conduct our operations so that we will not be deemed an investment company. However, if we nevertheless were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have an adverse effect on our business, financial condition and results of operations.

Risks Related to our Class A Common Stock and this Offering

There is no existing market for our Class A common stock, and we do not know if one will develop, to provide you with adequate liquidity.

Prior to this offering, there has not been a public market for our Class A common stock and we cannot predict the extent to which investor interest in us will lead to the development of an active trading market on the national securities exchange on which we list, or otherwise, or how liquid that market might become. If an active trading market does not develop, you may have difficulty selling your shares of Class A common stock at an attractive price, or at all. The initial public offering price for our Class A common stock will be determined by negotiations between us and the representative of the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Accordingly, you may not be able to resell shares of our Class A common stock at prices equal to or greater than the price you paid in this offering and you may suffer a loss on your investment.

The market price and trading volume of our Class A common stock may be volatile, and your investment in our Class A common stock could suffer a decline in value.

The stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively affect the market price of our Class A common stock. If the market price of our Class A common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment.

Table of Contents

Some of the factors that could negatively affect the price of our Class A common stock, or result in fluctuations in the price or trading volume of our Class A common stock, include:

- actual or anticipated variations in our quarterly operating results;
- failure to meet the market s earnings expectations;
- publication of research reports about us or the investment management industry, or the failure of securities analysts to cover our Class A common stock after this offering;
- departures of any members of our senior management team or additions or departures of other key personnel;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- changes in market valuations of similar companies;
- actual or anticipated poor performance in one or more of the portfolios we offer;
- changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our business, or enforcement of these laws and regulations, or announcements relating to these matters;
- adverse publicity about the investment management industry generally, or particular scandals, specifically;
- litigation and governmental investigations;
- consummation by us or our competitors of significant acquisitions, strategic partnerships or divestitures;
- actions by stockholders;
- exchange of units of Manning & Napier Group for shares of our Class A common stock or the expectation that such conversions or exchanges may occur; and
- general market and economic conditions.

Immediately following the consummation of this offering, William Manning and our other employee-owners will directly and indirectly own interests in M&N Group Holdings and directly own interests in MNCC, and they will have the right to exchange and cause M&N Group Holdings and MNCC to exchange, as applicable, such interests for cash or an aggregate of 76,400,000 shares of our Class A common stock pursuant to the terms of an exchange agreement; future sales of such shares in the public market, or the perception that such sales may

occur, could lower our stock price.

The market price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock available for sale after completion of this offering, or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also may make it more difficult for us to raise additional capital by selling equity securities in the future, at a time and price that we deem appropriate.

After the consummation of this offering, we will have 12,500,000 shares of Class A common stock outstanding. We will enter into an exchange agreement with M&N Group Holdings, MNCC, and the other direct holders of the units of Manning & Napier Group that are not owned by us at the time of this offering, and subject to certain restrictions set forth therein and as described elsewhere in this prospectus, certain of our employee-owners and M&N Group Holdings and MNCC, on behalf of William Manning and our other employee-members that are direct or indirect members of M&N Group Holdings and MNCC, will be entitled to exchange such units for an aggregate of up to 76,400,000 shares of our Class A common stock, subject to customary adjustments. In addition, the holders of any units of Manning & Napier Group issued subsequent to this offering will also become parties to the exchange agreement and, pursuant to the terms of the exchange agreement, we may also purchase or exchange such units for shares of our Class A common stock. We will also enter into a registration rights agreement pursuant to which the shares of Class A common stock issued upon such exchanges will be eligible for resale, subject to certain limitations set forth therein. See Our Structure and Reorganization Offering Transactions Exchange Agreement.

We cannot predict the size of future issuances of our Class A common stock or the effect, if any, that future issuances and sales of shares of our Class A common stock may have on the market price of our Class A common stock. Sales or distributions of substantial amounts of our Class A common stock, including shares issued in connection with an acquisition, or the perception that such sales or distributions could occur, may cause the market price of our Class A common stock to decline.

The disparity in the voting rights among the classes of our capital stock may have a potential adverse effect on the price of our Class A common stock.

Each share of our Class A common stock will entitle its holder to one vote on all matters to be voted on by stockholders generally, while the holder of our Class B common stock will control a majority of the vote on all matters submitted to a vote of all stockholders. The difference in voting rights could adversely affect the value of our Class A common stock if, for example, investors view, or any potential future purchaser of our company views, the superior voting rights of the Class B common stock to have value or to delay or deter a change of control.

You will suffer immediate and substantial dilution and may experience additional dilution in the future, including as a result of the issuance of Class A units of Manning & Napier Group in connection with future acquisitions.

We expect that the initial public offering price per share of our Class A common stock will be substantially higher than the pro forma net tangible book value per share of our Class A common stock immediately after this offering, as well as after giving effect to the potential exchange of all outstanding units of Manning & Napier Group for shares of our Class A common stock. As a result, you will pay a price per share that substantially exceeds the per share book value of our assets after subtracting our liabilities. At an offering price of $16.00 (the mid-point of the estimated initial public offering price range set forth on the cover page of this prospectus), you will incur immediate and substantial dilution in an amount of $15.05 per share of our Class A common stock.

In addition, we may issue shares of our Class A common stock or units of Manning & Napier Group in connection with future acquisitions or grants under the 2011 Plan. If we grant exchange rights with respect to the issuance of the units of Manning & Napier Group that allow its holder to exchange such units for shares of our Class A common stock, you will incur dilution in the percentage of the issued and outstanding shares of Class A common stock that you own at such time.

Manning & Napier Group will have broad discretion in the use of the net proceeds it receives from us from this offering and may not use them in a manner in which our stockholders would consider appropriate.

We intend to use approximately $41.6 million of the net proceeds from the sale of our Class A common stock in this offering to purchase Class A units of Manning & Napier Group from Manning & Napier Group, which in turn expects to use such net proceeds for general corporate purposes and strategic growth opportunities, including potential acquisitions and product seeding. We intend to use approximately $140.9 million of the net proceeds from this offering to purchase Class A units of Manning & Napier Group held by M&N Group Holdings, which in turn expects to transfer such net proceeds to its members. The remaining net proceeds from this offering, or approximately $3.5 million, will be used by us for general corporate purposes.

Table of Contents

Manning & Napier Group has not yet determined the amount of the net proceeds it receives that will be used for any specific purpose. Its management will have broad discretion in the application of the net proceeds, including for any of the purposes described under the heading Use of Proceeds included elsewhere in this prospectus. Our stockholders may not agree with the manner in which management of Manning & Napier Group chooses to allocate and spend the net proceeds. The failure by such management to apply these funds effectively could have an adverse effect on our business. Pending their use, Manning & Napier Group may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

Fulfilling our public company financial reporting and other regulatory obligations will be expensive and time consuming, may strain our resources and if we fail to comply with such obligations, our business, operating results and stock price could be adversely affected.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and will be required to implement specific corporate governance practices and adhere to a variety of reporting requirements under the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley, and the related rules and regulations of the SEC, as well as the rules of the national securities exchange on which we list.

In accordance with Section 404 of Sarbanes-Oxley, our management will be required to conduct an annual assessment of the effectiveness of our internal control over financial reporting and include a report on these internal controls in the annual reports on Form 10-K we will file with the SEC. In addition, we will be required to have our independent registered public accounting firm provide an opinion regarding the effectiveness of our internal controls. We expect that after the consummation of this offering, we will become an accelerated or large accelerated filer, and accordingly our annual reports, beginning with our annual report for the fiscal year ending December 31, 2012, must also contain a statement that our independent registered public accounting firm has issued an attestation report on the effectiveness of our internal control over financial reporting.

In order to achieve timely compliance with Section 404 of Sarbanes-Oxley, we have begun a process to evaluate our internal control over financial reporting. Our efforts to comply with Section 404 have resulted in, and are likely to continue to result in, significant costs, the commitment of time and operational resources and the diversion of management s attention. If our management identifies one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, market perception of our financial condition and the trading price of our stock may be adversely affected and customer perception of our business may suffer.

Further, the Exchange Act will require us to file annual, quarterly and current reports with respect to our business and financial condition. Compliance with these requirements will place significant additional demands on our legal, accounting and finance staff and on our accounting, financial and information systems and will increase our legal and accounting compliance costs as well as our compensation expense as we will be required to hire additional accounting, tax, finance and legal staff with the requisite technical knowledge.

As a public company we will also need to enhance our investor relations, legal and corporate communications functions. These additional efforts may strain our resources and divert management s attention from other business concerns, which could have an adverse effect on our business, financial condition and results of operations.

Table of Contents

Our corporate documents and Delaware law will contain provisions that could discourage, delay or prevent a change in control of our company.

Our amended and restated certificate of incorporation and amended and restated bylaws will contain provisions that may make the acquisition of our company more difficult. These provisions:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of our Class A common stock;

- prohibit stockholder action by written consent and instead require all stockholder actions to be taken at a meeting of our stockholders;

- provide that the board of directors is expressly authorized to make, alter, or repeal our amended and restated bylaws;

- establish advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and

- establish a dual class structure of our voting stock, granting the holder of our Class B common stock majority voting rights.

These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our company, even if doing so would benefit the holders of our Class A common stock.

Any issuance of preferred stock could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Class A common stock, which could depress the price of our Class A common stock.

Upon completion of this offering, our board of directors will have the authority to issue preferred stock and to determine the preferences, limitations and relative rights of shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our Class A common stock at a premium over the