

The tax rate is the combined federal and state rates. Currently 38.83% for AGM

The DTA is then amortized over 15 years. 85% of the tax benefit derived from the amortization for any given year is paid out to the individuals that exchanged.

Each actual TRA payment then creates additional DTA/TRA calculated as

- TRA payment X the current tax rate

Notes:

*The % of the business allocated to taxable entities is calculated as

the present value of the future cash flows attributable to taxable entities as a % of the present value of the total cash flows of the business. This % is ~75% as of 12/31/2015.

The key inputs used to determine the present value of the cash flows attributable to AMH and the total business are

- **Management Fees and Carried Interest cash flows sourced from the most recently approved 5-year Budget Plan**
- **Management Fee Cash Flows are discounted by ~8-14% and Carried Interest Cash Flows are discounted by 20%**
- **For perpetual funds and unidentified future funds a Long-Term Growth rate of 3% is applied with a discount rate of 10-20% to determine the Terminal Value of these entities.**

The results of the fair values of the Management Fees and Carried Interest cash flows are mapped to the appropriate parts of the business to determine the final allocation of value that is attributable to taxable entities.

Regards

Chris