



Evolve
Capital Partners

QUARTERLY DEALS & MARKET ROUNDUP

Securities

October 2017



Alternative Trading Systems & Market Makers



Diversified FIS



Exchanges



Financial Content Providers



Investment Banks



Investment Management



Online Brokers



Outsourced Financial Solutions



Software & Solutions



Brokerage



Wealth Management Tech

Specialized investment bankers at the intersection of finance and technology



Highlights

This quarter's Securities roundup discusses the following key developments:



REGTECH EMERGING AS THE NEW SUNRISE SEGMENT IN THE SECURITIES SPACE



CLOUD ADOPTION ACCELERATING AS MARGINS FALL, REGULATIONS INCREASE



BLOCKCHAIN AND DLT IMPLEMENTATION INTENSIFYING



HORIZONTAL M&A TRANSACTIONS ON THE RISE AS INCUMBENTS LOOK TO DIVERSIFY AND ACQUIRE COMPLEMENTARY TECHNOLOGIES



Overview of Evolve Capital Partners

ABOUT ECP

- Evolve Capital Partners (ECP) is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology.
- We are dedicated investment bankers focused on evolving industries, and we support sustainable growth through transformational M&A / financing transactions.
- ECP is a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.
- We also provide structured finance advisory services — our investment banking practice provides a comprehensive suite of solutions to businesses.
- With over 30 engagements executed by its leaders, Evolve Capital Partners has served as a proud partner, bringing renewed value to companies at the intersection of finance and technology.
- We were founded in 2012 and are based in New York, NY.

HIGH-TOUCH INVESTMENT BANKING

Few investment banks have transaction experience across both corporate and asset finance.



Our Clients

- Corporations
- Management Teams
- VC & PE Backed Companies
- Independent Directors / Boards



Investment Banking Advisory

- M&A
- Strategic Alliances
- Capital Raises and Asset Finance
- Financial Restructuring



Industry Focus

Finance and Technology Firms

BPO

IoT

B2B

Specialty Finance

Enterprise Software

Analytics

Payments

Lending

InsuranceTech

Securities

Financial Services

Financial Management

We Focus Exclusively on Finance and Technology-Related Firms

Financial Management Solutions



Payments



Bank Tech / Solutions



BPO



Capabilities

M&A Advisory

Sales / Recaps

Acquisitions

Divestiture

Strategic Advisory

Specialty Finance / Alternative Lending



Healthcare Tech



Securities



Financing

Private Placements

Debt Capital

Restructuring

Insurance





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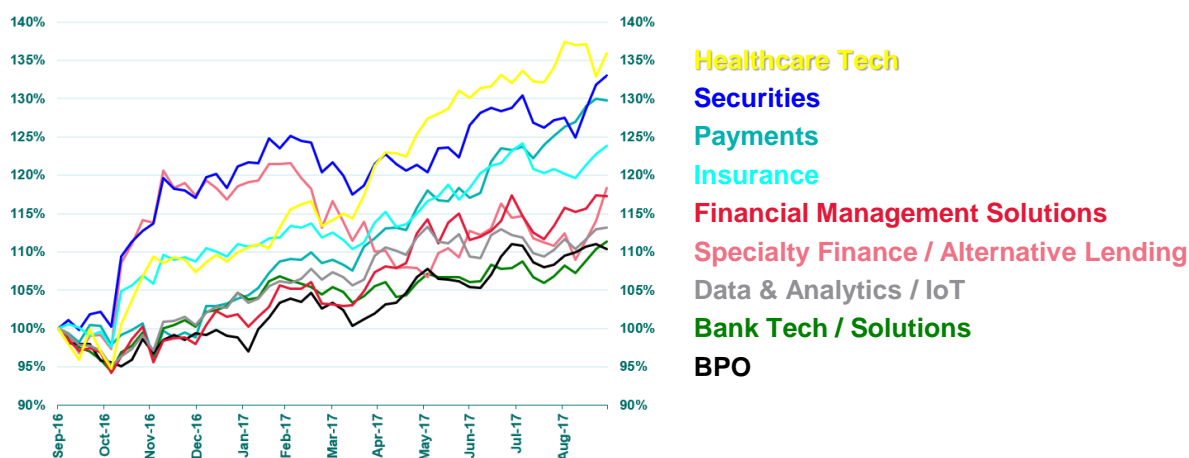
4. IPO Activity Summary

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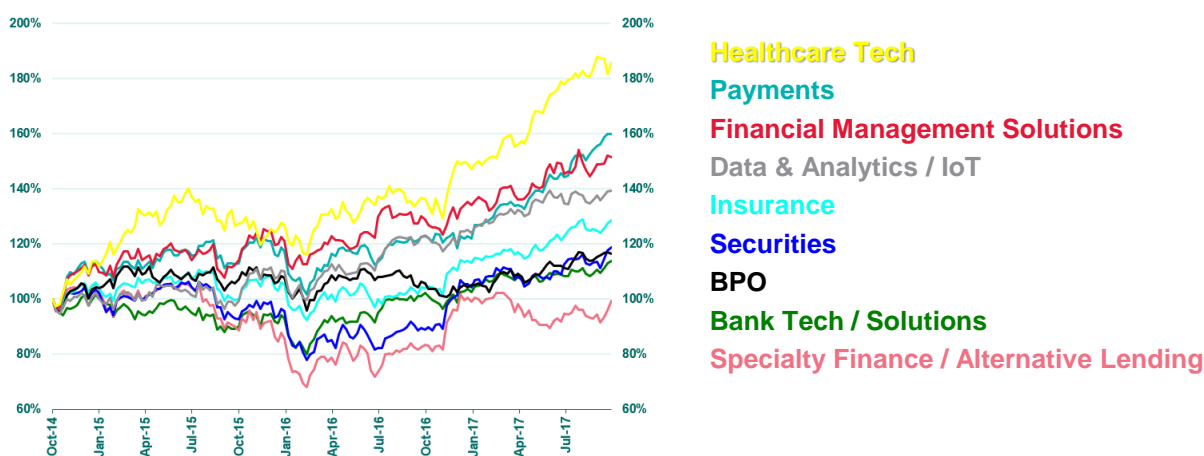
Market Summary

Industry Stock Market Performance of ECP Sector Coverage

Last 12 Months



Last 3 Years



Indexed Price Performance

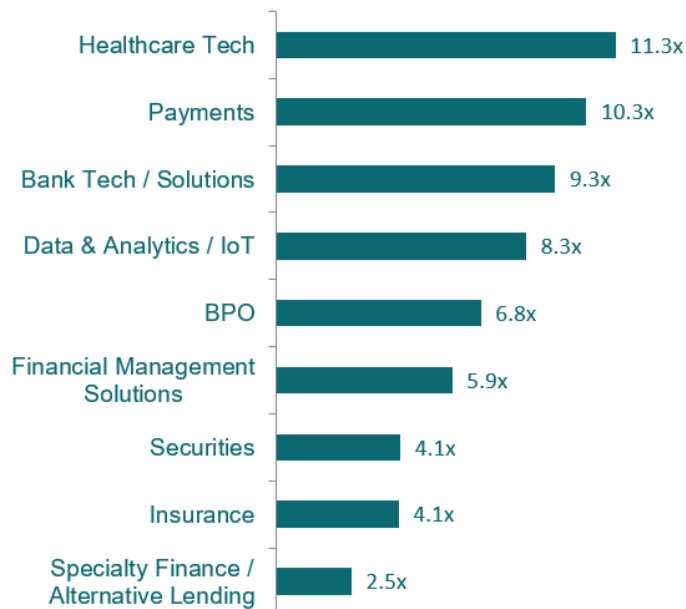
Sector	3 Months	1 Year	3 Years
Payments	10.0%	30.0%	59.7%
Bank Tech / Solutions	4.1%	11.4%	13.9%
Specialty Finance / Alternative Lending	10.9%	18.9%	(0.6%)
Securities	10.7%	33.4%	18.7%
Healthcare Tech	6.1%	23.7%	85.6%
BPO	2.4%	10.1%	16.4%
Financial Management Solutions	2.6%	17.3%	39.7%
Data & Analytics / IoT	(0.1%)	13.1%	39.3%
Insurance	6.6%	36.2%	28.5%

Source: Capital IQ and market data as of September 29, 2017

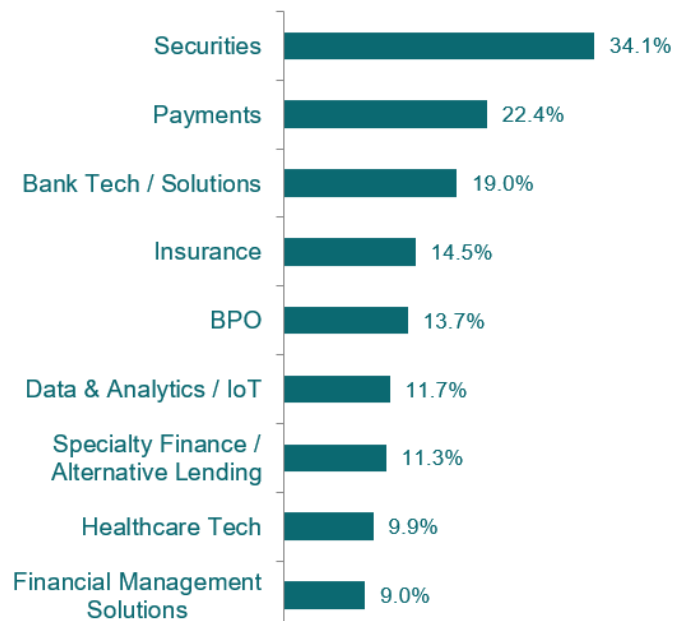
Multiples & Margins – All Sectors

Industry-wide Multiples and Margins

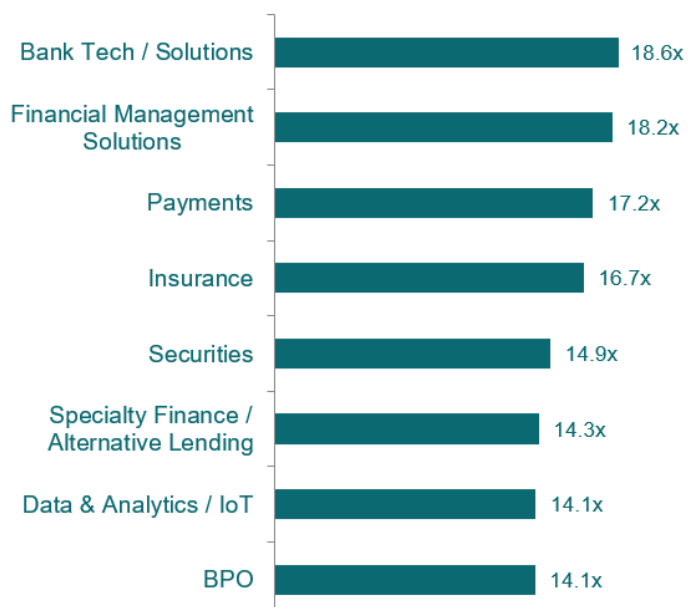
2017E EBITDA Multiples



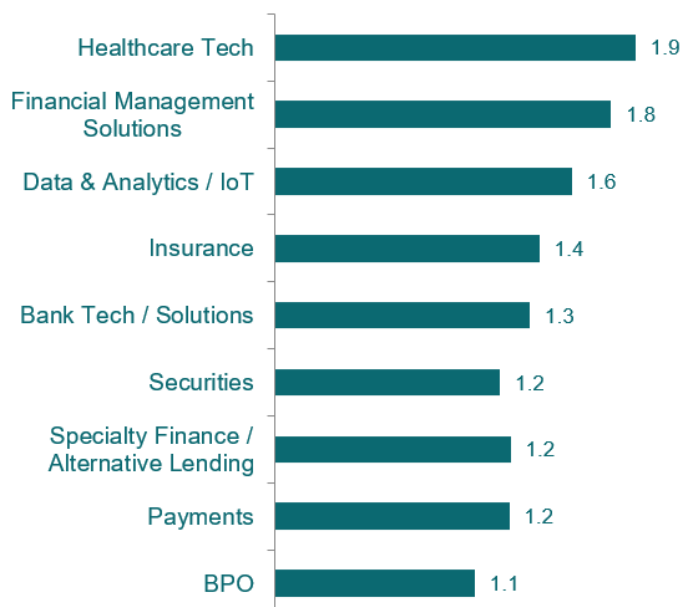
LTM EBITDA Margins



2017E Price / Earnings Multiples



2017E PEG Ratio

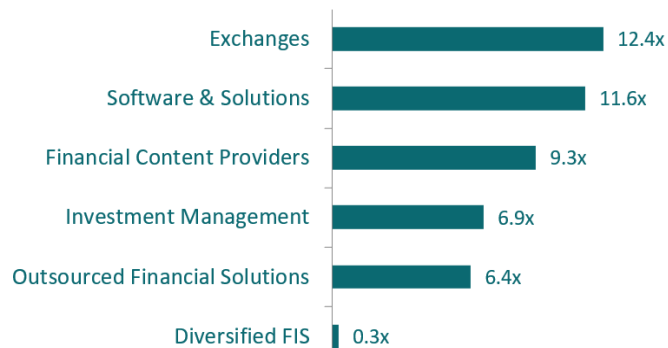


Source: Capital IQ and market data as of September 29, 2017

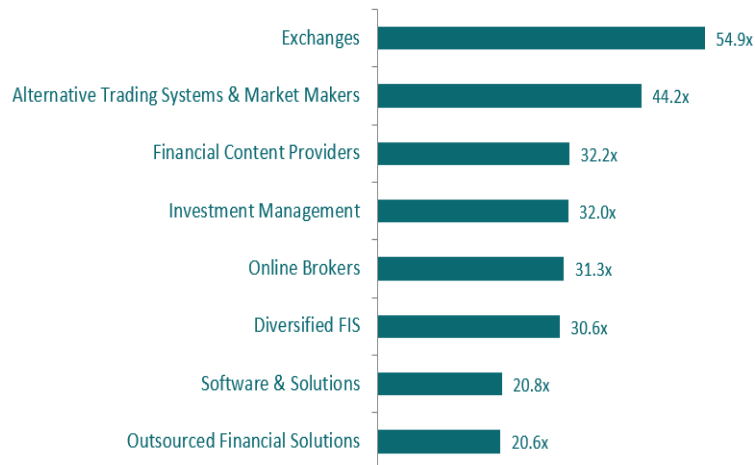
Multiples & Margins – Securities

Sub-sector Multiples and Margins

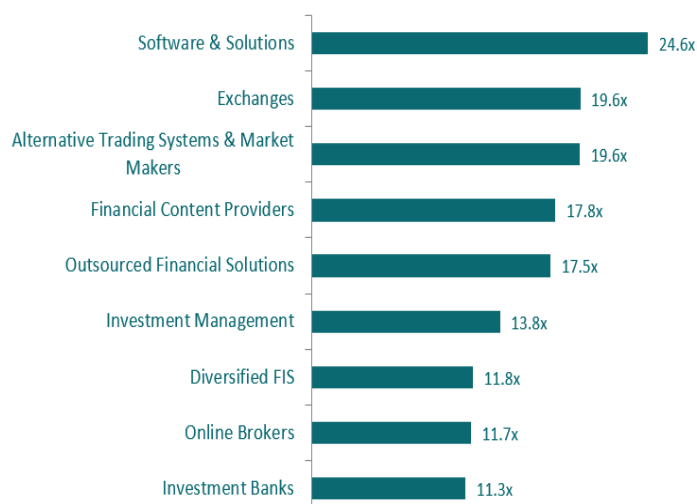
2017E EBITDA Multiples



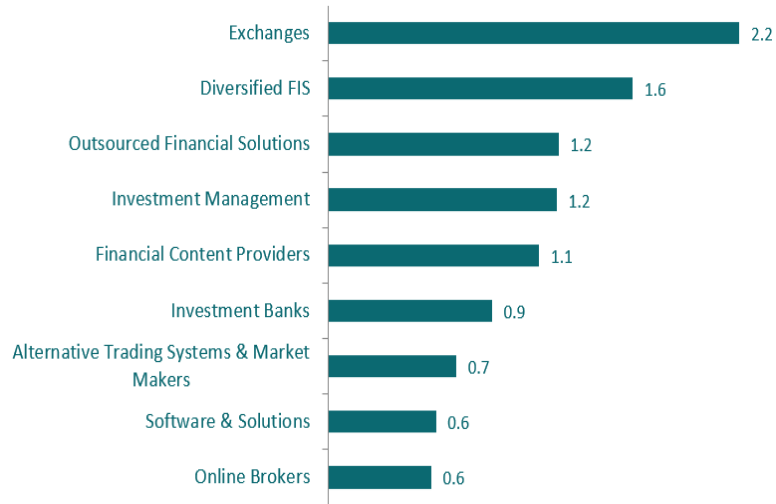
LTM EBITDA Margins



2017E Price / Earnings Multiples



2017E PEG Ratio



Source: Capital IQ and market data as of September 29, 2017

Stock Comparables – Securities

(All figures in US Dollars. Figures in millions, except per share data, as of September 29, 2017)

Securities Sub-Sector	Aggregate		Price / Earnings		Multiples		EV / Sales	
	Market Cap	Enterprise Value	FY 17E		FY 17E		FY 17E	
			FY 17E	FY 18E	FY 17E	FY 18E	FY 17E	FY 18E
Alternative Trading Systems & Market Makers	\$17,813	(\$3,315)	19.6x	16.3x	0.0x	0.0x	0.0x	0.0x
Diversified FIS	\$2,052,764	\$2,940	11.8x	14.3x	0.3x	0.3x	0.1x	0.1x
Exchanges	\$222,424	\$232,495	19.6x	21.1x	12.4x	14.7x	8.5x	9.5x
Financial Content Providers	\$140,303	\$157,095	17.8x	18.4x	9.3x	11.9x	4.5x	4.8x
Investment Banks	\$722,949	NA	11.3x	12.4x	0.0x	0.0x	0.0x	0.0x
Investment Management	\$263,690	\$174,295	13.8x	15.5x	6.9x	8.1x	2.5x	3.4x
Online Brokers	\$111,446	\$6,917	11.7x	14.8x	0.0x	2.0x	1.3x	1.1x
Outsourced Financial Solutions	\$79,194	\$42,595	17.5x	19.4x	6.4x	9.6x	2.3x	2.6x
Software & Solutions	\$16,873	\$19,218	24.6x	27.9x	11.6x	11.6x	3.0x	3.4x
Brokerage	\$1,570	NA	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
Median			15.6x	15.9x	3.3x	5.0x	1.8x	1.9x
Mean			14.8x	16.0x	4.7x	5.8x	2.2x	2.5x

Securities Sub-Sector	Number of Companies	Growth Rates			EBITDA Margin		PEG* FY 17E
		Revenue		EPS	FY 17E	FY 18E	
		FY 17E	FY 18E	5 Yr			
Alternative Trading Systems & Market Makers	8	4.8%	24.0%	3.2%	44.2%	37.1%	0.69
Diversified FIS	27	9.8%	4.7%	7.8%	30.6%	8.7%	1.63
Exchanges	13	13.8%	7.8%	9.3%	54.9%	63.5%	2.21
Financial Content Providers	9	3.0%	8.3%	8.7%	32.2%	40.7%	1.13
Investment Banks	17	9.9%	7.4%	7.5%	NA	5.4%	0.88
Investment Management	16	121.6%	9.9%	11.2%	32.0%	31.0%	1.23
Online Brokers	12	2.8%	10.3%	16.9%	31.3%	30.6%	0.55
Outsourced Financial Solutions	12	12.4%	9.2%	11.9%	20.6%	20.9%	1.24
Software & Solutions	8	7.8%	11.1%	3.2%	20.8%	22.6%	0.58
Brokerage	3	NA	NA	0.0%	NA	NA	-
Median		9.8%	9.2%	8.2%	31.6%	30.6%	1.01
Mean		20.7%	10.3%	8.0%	33.3%	28.9%	1.01

* Price/Earnings to Growth ratio is a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company's expected growth. In general, the P/E ratio is higher for a company with a higher growth rate.

Source: Capital IQ

Stock Comparables – Securities Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of September 29, 2017)

Alternative Trading Systems & Market Makers

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
BGC Partners, Inc.	\$4,144	NA	\$2,877	NA	NA	NA	NA	NA	NA	NA	NA
NEX Group plc	\$3,370	NA	\$646	NA	NA	NA	NA	NA	NA	23.6x	NA
IG Group Holdings plc	\$3,157	NA	\$674	NA	NA	NA	NA	NA	NA	13.8x	NA
Interactive Brokers Group, Inc.	\$3,219	NA	\$1,420	NA	NA	NA	NA	NA	34.4x	31.9x	3.2
Flow Traders N.V.	\$1,251	(\$3,315)	\$355	44.2%	NM	NM	NM	NM	25.2x	12.8x	2.3
Virtu Financial, Inc.	\$1,465	NA	\$597	NA	NA	NA	NA	NA	33.0x	16.0x	NA
Investment Technology Group, Inc.	\$733	NA	\$474	NA	NA	NA	NA	NA	50.3x	20.3x	NA
VIEL & Cie	\$473	NA	\$865	NA	NA	NA	NA	NA	14.1x	11.9x	NA
Median				44.2%	NA	NA	NA	NA	33.0x	16.0x	2.8
Mean				44.2%	NA	NA	NA	NA	31.4x	18.6x	2.8

Financial Content Providers

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
S&P Global Inc.	\$40,172	\$42,515	\$5,874	46.2%	7.1x	6.7x	14.7x	13.8x	23.5x	21.7x	1.9
Thomson Reuters Corporation	\$32,718	\$40,018	\$11,249	22.5%	3.5x	3.4x	11.8x	11.3x	19.1x	17.9x	1.9
Moody's Corporation	\$26,589	\$28,321	\$3,981	47.9%	7.2x	6.7x	15.1x	13.7x	25.2x	22.8x	2.6
IHS Markit Ltd.	\$17,449	\$21,365	\$3,529	30.8%	5.8x	5.5x	15.0x	13.7x	20.7x	18.7x	1.6
MSCI Inc.	\$10,528	\$11,854	\$1,232	50.7%	9.4x	8.6x	18.1x	16.2x	30.9x	26.5x	2.1
FactSet Research Systems Inc.	\$7,065	\$7,413	\$1,221	34.3%	NA	5.7x	NA	16.7x	NA	23.0x	NA
Morningstar, Inc.	\$3,615	\$3,505	\$881	27.0%	NA	NA	NA	NA	NA	NA	NA
CRISIL Limited	\$1,997	\$1,957	\$252	30.2%	7.5x	6.5x	NM	21.9x	41.2x	34.7x	NA
Value Line, Inc.	\$171	\$147	\$35	2.0%	NA	NA	NA	NA	NA	NA	NA
Median				30.8%	7.1x	6.5x	15.0x	13.8x	24.3x	22.8x	1.9
Mean				32.4%	6.8x	6.2x	14.9x	15.3x	26.8x	23.6x	2.0

Investment Banks

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
JPMorgan Chase & Co.	\$336,051	NA	\$93,356	NA	NA	NA	NA	NA	14.7x	13.4x	1.8
The Goldman Sachs Group, Inc.	\$91,763	NA	\$32,409	NA	NA	NA	NA	NA	12.7x	12.0x	1.1
Morgan Stanley	\$88,468	NA	\$37,466	NA	NA	NA	NA	NA	14.1x	12.5x	0.9
UBS Group AG	\$63,485	NA	\$29,929	NA	NA	NA	NA	NA	12.3x	11.3x	1.1
Deutsche Bank Aktiengesellschaft	\$35,545	NA	\$31,910	NA	NA	NA	NA	NA	13.2x	9.9x	2.2
Credit Suisse Group AG	\$40,394	NA	\$21,311	NA	NA	NA	NA	NA	19.2x	12.6x	0.4
Macquarie Group Limited	\$22,909	NA	\$7,817	NA	NA	NA	NA	NA	NA	13.9x	NA
Nomura Holdings, Inc.	\$19,718	NA	\$12,646	NA	NA	NA	NA	NA	NA	10.0x	NA
Raymond James Financial, Inc.	\$11,754	NA	\$6,358	NA	NA	NA	NA	NA	NA	14.6x	1.0
Lazard Ltd	\$5,868	NA	\$2,658	NA	NA	NA	NA	NA	13.2x	13.0x	1.5
Stifel Financial Corp.	\$3,652	NA	\$2,768	NA	NA	NA	NA	NA	14.9x	13.0x	1.3
Piper Jaffray Companies	\$764	NA	\$861	NA	NA	NA	NA	NA	10.3x	11.7x	NA
Greenhill & Co., Inc.	\$492	NA	\$271	NA	NA	NA	NA	NA	NM	16.5x	NM
Cowen Inc.	\$553	NA	\$504	NA	NA	NA	NA	NA	12.4x	7.3x	NA
Ladenburg Thalmann Financial Services Inc	\$565	NA	\$1,209	NA	NA	NA	NA	NA	NM	NM	NM
Numis Corporation Plc	\$397	NA	\$141	NA	NA	NA	NA	NA	12.3x	13.9x	NA
JMP Group LLC	\$121	NA	\$121	NA	NA	NA	NA	NA	19.9x	13.5x	1.9
Median				NA	NA	NA	NA	NA	13.2x	12.8x	1.2
Mean				NA	NA	NA	NA	NA	14.1x	12.4x	1.3

Source: Capital IQ

Stock Comparables – Securities Sub-Sectors (cont'd.)

(All figures in US Dollars. Figures in millions, except per share data, as of September 29, 2017)

Diversified FIS

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Wells Fargo & Company	\$273,762	NA	\$85,041	NA	NA	NA	NA	NA	13.9x	13.0x	1.7
Bank of America Corporation	\$267,337	NA	\$83,737	NA	NA	NA	NA	NA	15.1x	12.8x	2.0
Citigroup Inc.	\$198,184	NA	\$64,323	NA	NA	NA	NA	NA	14.3x	12.5x	1.8
HSBC Holdings plc	\$191,579	NA	\$46,545	NA	NA	NA	NA	NA	14.0x	13.3x	2.3
Commonwealth Bank of Australia	\$103,242	NA	\$19,205	NA	NA	NA	NA	NA	NA	13.5x	NA
Royal Bank of Canada	\$112,614	NA	\$30,262	NA	NA	NA	NA	NA	13.5x	12.7x	2.0
The Toronto-Dominion Bank	\$103,900	NA	\$26,746	NA	NA	NA	NA	NA	13.1x	12.2x	1.4
BNP Paribas SA	\$100,640	NA	\$48,149	NA	NA	NA	NA	NA	10.5x	10.4x	1.6
U.S. Bancorp	\$89,644	NA	\$19,840	NA	NA	NA	NA	NA	15.9x	14.6x	2.5
American Express Company	\$79,965	NA	\$29,870	NA	NA	NA	NA	NA	16.2x	14.8x	1.4
Lloyds Banking Group plc	\$65,306	NA	\$23,916	NA	NA	NA	NA	NA	8.4x	9.3x	NM
The PNC Financial Services Group, Inc.	\$64,583	NA	\$15,560	NA	NA	NA	NA	NA	16.4x	14.7x	1.8
National Australia Bank Limited	\$66,107	NA	\$13,486	NA	NA	NA	NA	NA	13.6x	13.5x	5.0
Bank of Montreal	\$49,010	NA	\$16,912	NA	NA	NA	NA	NA	12.4x	11.9x	2.2
Barclays PLC	\$44,176	NA	\$24,871	NA	NA	NA	NA	NA	10.6x	8.8x	0.5
Hang Seng Bank Limited	\$46,604	NA	\$3,871	NA	NA	NA	NA	NA	18.8x	17.3x	1.8
The Royal Bank of Scotland Group plc	\$42,968	NA	\$17,597	NA	NA	NA	NA	NA	11.7x	11.0x	0.7
DBS Group Holdings Ltd	\$39,222	NA	\$7,293	NA	NA	NA	NA	NA	12.5x	11.1x	1.0
Canadian Imperial Bank of Commerce	\$38,388	NA	\$11,894	NA	NA	NA	NA	NA	10.4x	10.4x	3.3
ICICI Bank Limited	\$27,174	NA	\$10,027	NA	NA	NA	NA	NA	NA	24.6x	NA
M&T Bank Corporation	\$24,467	NA	\$5,319	NA	NA	NA	NA	NA	18.1x	16.8x	2.6
Mediobanca Banca di Credito Finanziario S.	\$9,288	NA	\$2,116	NA	NA	NA	NA	NA	NA	11.3x	NA
UMB Financial Corporation	\$3,725	NA	\$991	NA	NA	NA	NA	NA	20.1x	18.5x	1.7
Close Brothers Group plc	\$2,979	NA	\$989	NA	NA	NA	NA	NA	NA	10.8x	NA
Federated Investors, Inc.	\$3,013	\$2,940	\$1,115	30.6%	2.7x	2.6x	8.4x	8.6x	14.3x	14.0x	3.6
IIFL Holdings Limited	\$2,963	NA	\$490	NA	NA	NA	NA	NA	NA	22.5x	NA
comdirect bank Aktiengesellschaft	\$1,923	NA	\$415	NA	NA	NA	NA	NA	25.3x	28.8x	NM
Median				30.6%	2.7x	2.6x	8.4x	8.6x	13.9x	13.0x	1.8
Mean				30.6%	2.7x	2.6x	8.4x	8.6x	14.5x	14.3x	2.0

Software & Solutions

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
SS&C Technologies Holdings, Inc.	\$8,248	\$10,457	\$1,638	36.2%	6.2x	5.8x	15.0x	13.5x	20.8x	18.3x	1.7
SimCorp A/S	\$2,413	\$2,410	\$357	23.0%	6.1x	5.6x	23.5x	20.2x	32.5x	28.3x	NA
Alfa Financial Software Holdings PLC	\$2,037	\$2,010	\$117	21.1%	NA	NA	NA	NA	45.3x	38.8x	NA
IRESS Limited	\$1,512	\$1,648	\$313	23.8%	4.9x	4.6x	17.5x	15.3x	25.6x	23.0x	2.4
Fidessa group plc	\$1,160	\$1,064	\$456	18.3%	2.3x	2.3x	11.1x	10.7x	24.6x	23.2x	NA
First Derivatives plc	\$1,017	\$1,035	\$215	12.3%	NA	5.3x	NA	NM	NA	55.6x	NA
Linedata Services S.A.	\$344	\$426	\$199	20.0%	2.0x	1.9x	8.4x	7.7x	16.5x	13.8x	NM
StatPro Group plc	\$142	\$167	\$54	12.0%	2.4x	2.1x	17.2x	13.5x	31.4x	22.0x	NA
Median				20.5%	3.7x	4.6x	16.1x	13.5x	25.6x	23.1x	2.0
Mean				20.8%	4.0x	3.9x	15.4x	13.5x	28.1x	27.9x	2.0

Brokerage

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
INTL FCStone Inc.	\$717	NA	\$19,781	NA	NA	NA	NA	NA	NA	NA	NA
Compagnie Financière Tradition SA	\$699	NA	\$818	NA	NA	NA	NA	NA	NA	NA	NA
Casa de Bolsa Finamex S.A.B. de C.V.	\$154	NA	\$504	NA	NA	NA	NA	NA	NA	NA	NA
Median				NA	NA	NA	NA	NA	NA	NA	NA
Mean				NA	NA	NA	NA	NA	NA	NA	NA

Source: Capital IQ

Stock Comparables – Securities Sub-Sectors (cont'd.)

(All figures in US Dollars. Figures in millions, except per share data, as of September 29, 2017)

<i>Exchanges</i>											
Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA	EV / Sales		EV / EBITDA		P / E		PEG
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
CME Group Inc.	\$46,119	\$46,905	\$3,658	69.0%	12.9x	12.0x	18.0x	16.7x	28.5x	25.6x	2.8
Intercontinental Exchange, Inc.	\$40,429	\$45,946	\$4,623	60.9%	9.4x	8.9x	14.7x	13.5x	22.1x	19.4x	2.1
Hong Kong Exchanges and Clearing Limited	\$33,295	\$31,141	\$1,568	66.9%	19.8x	18.0x	NM	24.6x	37.5x	33.4x	5.7
Deutsche Börse Aktiengesellschaft	\$20,248	\$21,029	\$3,443	46.8%	6.9x	6.5x	11.8x	10.8x	19.3x	16.7x	1.7
London Stock Exchange Group plc	\$17,782	\$18,715	\$2,360	39.5%	7.3x	6.6x	14.4x	12.5x	25.4x	21.8x	1.6
B3 S.A. - Brasil, Bolsa, Balcão	\$15,465	\$16,805	\$835	57.6%	13.7x	12.3x	21.5x	17.6x	23.7x	21.6x	6.0
Nasdaq, Inc.	\$12,938	\$15,994	\$3,914	31.2%	6.2x	5.9x	12.3x	11.6x	17.3x	16.2x	2.2
Cboe Global Markets, Inc.	\$12,138	\$13,303	\$1,753	36.2%	13.7x	12.0x	21.1x	17.5x	32.7x	28.2x	1.0
ASX Limited	\$7,955	\$7,226	\$715	77.1%	NA	11.8x	NA	15.5x	NA	23.2x	NA
Singapore Exchange Limited	\$5,830	\$5,243	\$600	52.5%	NA	8.6x	NA	15.0x	NA	22.3x	NA
Euronext N.V.	\$4,232	\$4,137	\$672	55.6%	6.5x	6.1x	11.5x	10.6x	17.7x	16.3x	3.3
Bolsas y Mercados Españoles, Sociedad H	\$2,869	\$2,490	\$383	64.8%	NM	NM	NM	NM	15.9x	15.7x	NM
TMX Group Limited	\$3,122	\$3,561	\$636	56.4%	6.1x	5.5x	11.2x	9.9x	15.2x	13.6x	NA
Median				56.4%	8.4x	8.8x	14.4x	14.2x	22.1x	21.6x	2.2
Mean				55.0%	10.3x	9.5x	15.2x	14.7x	23.2x	21.1x	2.9

<i>Investment Management</i>											
Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA	EV / Sales		EV / EBITDA		P / E		PEG
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
BlackRock, Inc.	\$72,451	\$71,504	\$11,912	44.0%	6.1x	5.5x	13.9x	12.2x	21.1x	18.6x	1.7
The Bank of New York Mellon Corporation	\$54,778	NA	\$15,616	NA	NA	NA	NA	NA	14.6x	13.3x	2.0
Franklin Resources, Inc.	\$24,823	\$16,286	\$6,392	36.2%	NA	2.3x	NA	5.5x	NA	14.7x	1.8
Northern Trust Corporation	\$21,005	NA	\$5,224	NA	NA	NA	NA	NA	19.9x	17.6x	1.9
Ameriprise Financial, Inc.	\$22,268	\$24,308	\$11,977	24.1%	2.2x	2.1x	7.6x	7.2x	13.2x	12.4x	0.7
T. Rowe Price Group, Inc.	\$21,788	\$20,617	\$4,598	46.0%	4.5x	4.2x	9.2x	9.0x	16.6x	15.9x	1.5
Invesco Ltd.	\$14,257	\$18,653	\$4,979	28.3%	5.2x	4.7x	12.1x	11.2x	13.6x	12.5x	1.0
Hargreaves Lansdown plc	\$9,394	\$9,039	\$501	68.7%	NA	16.5x	NA	24.5x	NA	31.9x	NA
Investec plc	\$6,335	NA	\$2,684	NA	NA	NA	NA	NA	NA	10.0x	NA
Janus Henderson Group plc	\$6,839	\$6,151	\$1,389	25.3%	3.0x	2.9x	8.6x	8.2x	NA	NA	NA
AllianceBernstein Holding L.P.	\$2,275	NA	\$225	0.0%	NA	NA	NA	NA	12.4x	11.3x	1.5
Cohen & Steers, Inc.	\$1,829	\$1,623	\$368	41.1%	4.7x	4.4x	11.1x	10.1x	20.9x	18.9x	2.1
Waddell & Reed Financial, Inc.	\$1,678	\$966	\$1,156	20.7%	0.8x	0.8x	3.7x	3.7x	11.9x	11.4x	2.2
Artisan Partners Asset Management Inc.	\$1,620	\$1,610	\$766	33.6%	2.1x	2.0x	5.7x	5.3x	14.6x	13.4x	1.4
WisdomTree Investments, Inc.	\$1,371	\$1,279	\$220	25.9%	6.2x	5.6x	20.2x	17.3x	46.5x	34.8x	1.4
Virtus Investment Partners, Inc.	\$838	\$2,115	\$377	21.8%	5.0x	4.1x	19.0x	14.8x	15.3x	11.5x	0.6
Median				30.9%	4.6x	4.1x	10.2x	9.5x	14.9x	13.4x	1.5
Mean				34.6%	4.0x	4.6x	11.1x	10.7x	18.4x	16.5x	1.5

Source: Capital IQ

Stock Comparables – Securities Sub-Sectors (cont'd.)

(All figures in US Dollars. Figures in millions, except per share data, as of September 29, 2017)

Online Brokers

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
The Charles Schwab Corporation	\$58,573	NA	\$8,346	NA	NA	NA	NA	NA	27.8x	23.0x	1.4
TD Ameritrade Holding Corporation	\$27,666	NA	\$3,605	NA	NA	NA	NA	NA	NA	23.0x	1.5
E*TRADE Financial Corporation	\$11,992	NA	\$2,395	NA	NA	NA	NA	NA	18.7x	16.9x	1.3
MarketAxess Holdings Inc.	\$6,926	\$6,723	\$392	56.8%	15.8x	13.7x	NM	24.1x	43.9x	37.1x	2.3
Matsui Securities Co., Ltd.	\$1,933	NA	\$283	NA	NA	NA	NA	NA	NA	NA	NA
Plus500 Ltd.	\$1,370	NA	\$354	NA	NA	NA	NA	NA	9.7x	9.5x	NA
Monex Group, Inc.	\$743	NA	\$412	NA	NA	NA	NA	NA	NA	19.5x	NA
Yintech Investment Holdings Limited	\$775	NA	\$488	NA	NA	NA	NA	NA	10.1x	9.0x	NA
CMC Markets Plc	\$624	NA	\$201	NA	NA	NA	NA	NA	NA	12.2x	NA
Swissquote Group Holding Ltd	\$531	NA	\$182	NA	NA	NA	NA	NA	18.2x	16.8x	0.2
GAIN Capital Holdings, Inc.	\$302	NA	\$346	NA	NA	NA	NA	NA	NM	10.7x	NA
Global Brokerage, Inc.	\$10	\$194	\$264	5.8%	NA	NA	NA	NA	NA	NA	NA
Median				31.3%	15.8x	13.7x	NA	24.1x	18.5x	16.9x	1.4
Mean				31.3%	15.8x	13.7x	NA	24.1x	21.4x	17.8x	1.3

Outsourced Financial Solutions

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
State Street Corporation	\$35,728	NA	\$10,848	NA	NA	NA	NA	NA	15.0x	13.5x	1.3
Broadridge Financial Solutions, Inc.	\$9,414	\$10,244	\$4,172	17.0%	NA	2.5x	NA	13.7x	NA	23.3x	NA
SEI Investments Co.	\$9,654	\$8,994	\$1,487	28.4%	6.2x	5.7x	16.5x	14.1x	27.4x	23.6x	2.0
Computershare Limited	\$6,185	\$7,304	\$2,106	23.3%	NA	3.5x	NA	12.9x	NA	19.9x	NA
DST Systems, Inc.	\$3,321	\$3,827	\$2,023	21.9%	1.9x	1.8x	9.5x	8.4x	18.9x	16.2x	1.9
LPL Financial Holdings Inc.	\$4,637	\$5,957	\$4,172	13.6%	1.5x	1.3x	10.9x	8.7x	21.2x	15.4x	1.5
TP ICAP plc	\$3,893	NA	\$1,668	NA	NA	NA	NA	NA	16.1x	13.2x	3.3
Financial Engines, Inc.	\$2,195	\$2,025	\$468	18.4%	4.3x	3.8x	13.1x	11.3x	26.0x	22.9x	1.3
Envestnet, Inc.	\$2,245	\$2,477	\$656	9.0%	3.8x	3.2x	19.9x	15.8x	40.7x	32.3x	2.3
Sanne Group plc	\$1,475	\$1,499	\$120	37.1%	9.6x	7.8x	NM	21.0x	32.3x	27.6x	1.4
Bravura Solutions Limited	\$276	\$267	\$147	17.0%	NA	1.7x	NA	9.7x	NA	15.0x	NA
KAS BANK N.V.	\$173	NA	\$148	NA	NA	NA	NA	NA	12.3x	10.4x	NA
Median				18.4%	4.0x	3.2x	13.1x	12.9x	21.2x	18.0x	1.7
Mean				20.6%	4.6x	3.5x	14.0x	12.8x	23.3x	19.4x	1.9

Source: Capital IQ



Recent Updates



REGTECH EMERGING AS THE NEW SUNRISE SEGMENT IN THE SECURITIES SPACE

Regulatory scrutiny and reporting requirements for banks and asset managers have increased immensely since the crisis of 2008. Tighter regulatory requirements are emerging as the greatest immediate challenge for investment managers, as it is inhibiting their ability to focus on core aspects of their business, such as client value maximization. It is also constraining them because they have to capture, store, and regularly track unprecedented quantities of data, which involves a substantial commitment of resources. This quantum shift in the regulatory environment has created an urgent need for automating various aspects of the compliance process, deploying robust and dedicated big data management systems, and

continuously performing a range of intricate analytics. Securities incumbents and IT giants are, independently or through collaborations, working on tech solutions for these challenges, particularly ones that draw on cloud, APIs, big data analytics, and machine learning. Investments in regtech have soared and are expected to increase further once a deadline is set for implementing new regulations. There has also been an outpouring of regtech startups that focus on specific aspects of compliance, such as tax management, identity verification, and reporting.



CLOUD ADOPTION ACCELERATING AS MARGINS FALL, REGULATIONS INCREASE

Cloud computing has fundamentally changed operating processes and increased efficiency across several industries. Despite Cloud's strong potential in the Securities industry, companies in this industry have lagged in its adoption, primarily because they were wary of its security capabilities, governing convenience, and transition costs. Examples of companies in other data security-sensitive industries working hitch-free in a Cloud environment for years have alleviated concerns over security and have accelerated Cloud adoption among Securities companies. Examples from other industries have also demonstrated the Cloud's ability to reduce operating costs, bring enormous computing power, and increase agility.

These are central goals for companies in the Securities industry at present, as they are challenged by shrinking profit margins, increasing client expectations, and increasing data requirements for regulatory compliance.

UBS, the world's largest wealth manager, is the latest to take a stride towards Cloud adoption by turning to Microsoft's cloud technology, Azure. It is already using Azure for its risk-management platform, which requires massive processing power. The technology has increased calculation time by 100% and increased scale by saving 40% in infrastructure costs. It has also brought substantial working capital savings and improved decision making.



BLOCKCHAIN AND DLT IMPLIMENTATION INTENSIFYING

Exchanges and securities market players are rapidly bringing their blockchain and DLT (digital ledger technology) models out of sandboxes and into implementation. Exchanges like ASX and Nasdaq have already deployed blockchain-based mechanisms to overcome inefficiencies in areas like risk data management, post-trade processing, and private placements. A blockchain-powered network can bring various securities market participants, including regulators, on a common platform in real time, in a cost-effective and transparent fashion. The strong potential of blockchain in the regulatory space has inspired regulators to actively engage with

blockchain companies, and work with them on test projects in simulated conditions. Buoyed by early successes of their blockchain projects, investment banks, tech companies, and online advisors/brokers have stepped up their blockchain investments. According to Raconteur, blockchain-related investments in capital markets could increase from \$75 million in 2015 to \$400 million in 2019. Clearing & settlement, regulatory consolidation & audits, and systematic risk management might see the highest implementation.



Key Initiatives by Leading Securities Companies

JPMorgan plans to unveil revolutionary AI-based trading program, LOXM, in Q4: 2017

JPMorgan has been testing its AI program, LOXM, since Q1:2017 in Europe, and plans to roll it out in Asia and the US in Q4:2017, after the trials are successful. LOXM's intelligence was developed by running it on billions of historical transactions, which has enabled it to execute large trades at ultra-high speeds and optimal prices, with minimum impact on market prices. According to JPMorgan, LOXM delivered far better results than any manual and automated system in trials and generated significant cost savings for the bank. With LOXM, JPMorgan claims to have become the first major bank to utilize AI in real-time trading, as opposed to only post-trade allocations, like its competitors. LOXM will only be used to automate trading to start and may later be trained to the unique trading behaviors of end clients and execute trades accordingly.

SIX Swiss Exchange to use Nasdaq's DLT framework in structured products segment

SIX Swiss Exchange is emerging as one of the front runners among exchanges in the implementation of Distributed Ledger Technology (DLT) or blockchain technology. The exchange will apply Nasdaq's DLT framework to a Minimum Viable Product in its over-the-counter structured products business. This initiative is part of SIX's ten-year technology trading contract with Nasdaq that was extended in October 2016. The technology will give SIX direct experience in the advantages of blockchain in the post-trade phase. SIX Group has taken several initiatives in the past to harness the benefits of blockchain in securities trading. For example, the company partnered with Digital Asset Holdings to develop a distributed ledger-based bond issuing prototype.

SimCorp introduces module for private debt, banking on growing institutional demand

SimCorp, a leading provider of investment management solutions to capital markets companies across the world, introduced a private debt module for its investment platform, SimCorp Dimension. The module was developed in partnership with Danish pension fund, PKA, and some of SimCorp's other clients. Introduction of the module underscores SimCorp's dedicated focus on the alternative investments segment, especially private debt, whose popularity among institutional investors is on the rise because of its ability to generate superior risk-adjusted yields. The module allows investors to take positions in several categories of loans, including syndicated, term, direct, bilateral, bank and commercial loans. The module can be combined with SimCorp's Investment Book of Record (IBOR) and integrated across the setup – from front to back office.

Fidelity partners with Goldman to offer securities-based loans to offset falling commissions

Online broker Fidelity Investments entered a partnership with Goldman Sachs that will enable Goldman to offer securities-based loans to six million investment accounts managed by broker-dealers, family offices, and wealth advisers that use Fidelity's technology. The loans will be offered through a new online platform, GS Select, and will range from \$75,000 to \$25 million. The securities in the borrower's portfolio will serve as collateral for these loans. Loan requests will be reviewed by Goldman's software based on an analysis of the applicant's portfolio. The software will give the sanctionable loan amount and lending terms within a day. Securities-backed loans have become a booming business as brokerages search for ways to offset falling trading commissions.

Deal Activity

Highlighted M&A Transactions

Date	Target	Acquirer	Sector	Amount (\$mm)
6/20/17	 Options City	VELA 	Software and Solutions	NA
6/1/17	 Bank of America Merrill Lynch Global Research Index Platform	 ICE	Exchange	NA
5/15/17	 BUREAU VAN DIJK	MOODY'S	Financial Content Providers	\$3,293
3/15/17	 KCG	 VIRTU FINANCIAL	Alternative Trading Systems/ Market Makers	\$1,456

- *Online Brokers, Exchanges, and Alternative Trading Systems & Market Makers have acquired competitors to obtain control over their technology and integrate it into the acquirer's own processes.*
- *Horizontal acquisitions have been driven by incumbents looking to add new services to their portfolio and diversify into new client segments.*
- *Diversified FISs have continued their pursuit of new-age technologies, as they look to compete with tech-intensive online players.*

Highlighted Financing Transactions

Date	Company	Lead Investor	Series	Amount (\$mm)
8/1/17	 PERSONAL CAPITAL	 IGM Financial	Series E	\$40
6/8/17	 ADDEPAR	 VALOR EQUITY PARTNERS  BVC	Series D	\$140

Horizontal M&A transactions on the rise as incumbents look to diversify and acquire complementary technologies

Horizontal M&A transactions have been on a rise across subsectors of the Securities industry. Companies have been acquiring their competitors, principally because the market is approaching saturation and incumbents are seeing diversification- and technology-driven acquisition as the greatest growth drivers. There have been several acquisitions where companies have acquired a competitor exclusively to obtain control over its technology and integrate it into the acquirer's own processes. Such transactions have been particularly frequent in the Online Brokers, Exchanges, and Alternative Trading Systems & Market Makers sub-sectors.

Other horizontal acquisitions have been driven by incumbents looking to add new services to their portfolio and diversify into new client segments. Market makers and exchanges have also used the inorganic strategy to add new classes of financial assets into their offerings. Diversified FISs have continued their pursuit of new-age technologies, as they look to compete with tech-intensive online players. Their venture arms have been active in funding tech startups working on technologies that can be integrated into their processes later on.

Companies have been acquiring their competitors, principally because the market is approaching saturation and incumbents are seeing diversification- and technology-driven acquisition as the greatest growth drivers.

M&A Transaction Activity Summary

Date	Target	Acquirer(s)	Sector	Amount (\$mm)
6/27/17	 CACHEMATRIX	BLACKROCK®	Software and solutions	NA
6/22/17	 STATE STREET BlockCross	 INSTINET A NOMURA COMPANY	Software and Solutions	NA
6/20/17 Transaction Profiled	 Options City ELECTRONIC TRADING SIMPLIFIED	VELA 	Software and Solutions	NA
6/7/17	American Commerce Exchange	 ITEX	Alternative Trading Systems & Market Makers	NA
6/6/17	KRAVITZ	 ascensus® Always have a plan	Investment Management	NA
6/1/17 Transaction Profiled	 Bank of America Merrill Lynch Global Research Index Platform	 ICE	Exchange	NA
5/24/17	 TIM An Acuris company	 Mergermarket An Acuris company	Financial Content Providers	NA
5/23/17	 FASTMATCH	 EURONEXT	Exchange	\$163
5/17/17	 OTAS TECHNOLOGIES	 liquidnet	Financial Content Providers	NA
5/15/17 Transaction Profiled	 BUREAU VAN DIJK	MOODY'S	Financial Content Providers	\$3,293

Source: Capital IQ and Media Reports

M&A Transaction Activity Summary (cont'd.)

Date	Target	Acquirer(s)	Sector	Amount (\$mm)
5/9/17	 EQUINOXE	 A P E X	Investment Management	NA
5/8/17	 STOCKCROSS [®] FINANCIAL SERVICES	 SIEBERT	Brokerage	\$20
4/27/17	 SOURCE	 Invesco	Investment Management	NA
4/27/17	 kredible Technologies	 AdvisorEngine	Software and Solutions	NA
3/15/17 Transaction Profiled	 KCG	 VIRTU FINANCIAL	Alternative Trading Systems/Market Makers	\$1,456
4/3/17	 CONVERGEX	 COWEN G R O U P	Brokerage	\$116
10/24/16	 Scottrade [®]	 TD Ameritrade	Brokerage	\$2,792
10/20/16	 GMEX GROUP	 FORUM TRADING SOLUTIONS	Software and Solutions	NA
9/26/16	 Bats	 CBOE CHICAGO BOARD OPTIONS EXCHANGE	Exchange	\$3,864
3/21/16	 markit [®]	 iHS	Financial Content Providers	\$7,449

Source: Capital IQ and Media Reports

Key M&A Deal Profiles (cont'd.)

Vela acquires OptionsCity to expand trading technology capabilities

Target Company Overview



OptionsCity Software develops and deploys electronic trading software to traders making markets and trading on derivative markets worldwide. The company was founded in 2006 and is based in Chicago, Illinois.

Services Offered

OptionsCity provides three platforms:

- **Freeway**, a server-based algorithmic trading platform
- **Metro**, an end-to-end electronic market making and trading platform
- **CityTrader**, a cloud-based futures trading platform
- **City API**, an API for futures market data and analytics

Acquisition Details



Vela Trading Technologies acquired OptionsCity Software for an undisclosed sum on June 20, 2017. Edison Partners was a minority stake investor in the company and confirmed that the exit provided a strong return for shareholders of OptionsCity.

Transaction Rationale

The acquisition will expand Vela's front-office capabilities to include advanced analytics and risk management tools, enhance its market access managed services with additional trading and content solutions, and accelerate its data cloud strategy.

ICE acquires Bank of America Merrill Lynch's Global Research Index Platform

Target Company Overview



Bank of America Merrill Lynch's Research Division provides research and analysis on global equities, credit and fixed income products, macro economic fundamentals, interest rates, currencies, commodities, and derivatives. The division is based in New York.

Products Offered

The Global Research Index Platform provides fixed income, currency, and commodity (FICC) indices for investors and market participants around the world. The platform encompasses more than 5,000 global indices that are used by individual investors, institutional and retail clients, corporates, and institutional money managers.

Acquisition Details



Intercontinental Exchange, Inc. (ICE) entered into a definitive agreement to acquire Index Platform from Bank of America Merrill Lynch's Research Division on June 1, 2017. Following the closure of the transaction, the Index Platform will become part of ICE Data Services and be re-branded as the ICE BofAML indices.

Transaction Rationale

Bank of America Merrill Lynch's indices are the second most used fixed income indices by assets under management (AUM). By combining them with ICE Data Services, ICE is positioned to enhance and grow the platform to meet customers' needs across index management, analytics, and valuations. They will complement ICE's fixed income pricing solutions in serving the demand for indexation as passive investing grows

Source: Capital IQ, company websites and press releases

Key M&A Deal Profiles

Moody's acquires Bureau van Dijk for \$3.3 billion to strengthen risk analytics capabilities

Target Company Overview



Bureau van Dijk Electronic Publishing BV provides economy, industry, and company-level data & information services across the world. The company's clients include publishers of books, STM journals, news, directories, and reference guides; banks; and insurance companies. The company has partnerships with 160+ independent information providers. It was founded in 1991 and is based in Amsterdam.

Services Offered

Bureau van Dijk's offerings include:

- **Company information** on listed and private companies
- **Economic data and models**, including data to analyze relative national performance, economic performance indicators, and forecasts
- **Market data**, including data to gauge market size, future trends, growth potential, risk exposure, competitor trends, and M&A trends

Acquisition Details

MOODY'S

Moody's Analytics entered into a definitive agreement to acquire Bureau van Dijk for \$3.3 billion on May 15, 2017. Moody's will fund the transaction with \$1.3 billion of offshore cash on hand and \$2 billion in debt issuance. Bureau van Dijk will be reported as part of Moody's Analytics Research, Data & Analytics (RD&A) unit. The transaction had an EV/Revenue multiple of 11.3x and EV/EBITDA multiple of 22.0x.

Transaction Rationale

The acquisition strengthens Moody's position in the global risk data and analytics space. It also generates opportunities for Moody's to offer complementary products, create new risk solutions, and extend its reach to new and evolving market segments. The deal could generate approximately \$45 million of annual revenue and expense synergies by 2019, and \$80 million by 2021. On a GAAP basis, the acquisition is expected to be accretive to Moody's EPS in 2019.

Virtu Financial acquires KCG for \$1.4 billion to shore up agency execution business

Target Company Overview



KCG Holdings is an independent securities firm that provides market making services designed to address trading needs across asset classes, product types, and time zones. KCG is headquartered in New York.

Services Offered

The company offers market making and trade execution services. It buys and sells securities to broker-dealers, banks, and institutions, and earns a bid/ask spread on these trades. The company also provides agency execution services and trading venues for agency-based execution-only trading.

Acquisition Details














Virtu Financial acquired KCG Holdings for \$1.4 billion on March 15, 2017. The deal was financed through a stock sale worth \$750 million and borrowings of \$1.65 billion. KCG now operates as a wholly owned subsidiary of Virtu and has been delisted from the NYSE.

Transaction Rationale

Virtu is expected to migrate trading of both companies onto a single platform. This will bring together Virtu's technology, risk management, and market making expertise, with KCG's strong client franchises. Virtu will be able to expand its agency execution business by applying its expertise to wholesale order flow.

Source: Capital IQ, company websites and press releases

Financing Transaction Activity Summary

Date	Target	Sector	Amount (\$mm)	Type	Investor(s)
8/1/17 <small>Transaction Profiled</small>	 PERSONAL CAPITAL	Wealth Management Tech	\$40	Series E	 and others
6/29/17		Software & Solutions	\$2	Seed	 and others
6/22/17		Software and Solutions	\$8	Series A	 and others
6/20/17 <small>Transaction Profiled</small>		Investment Management	\$33	Series B	BLACKROCK® and others
6/8/17		Software and Solutions	\$140	Series D	VALOR EQUITY PARTNERS 8VC
6/7/17		Alternate Trading Systems/Market Makers	\$2	NA	
6/2/17		Software and Solutions	\$3	Debt	PEAK6® and others
5/31/17		Software and Solutions	\$5	Series D	 Cultivation Capital and others

Source: Capital IQ and Media Reports

Financing Transaction Activity Summary (cont'd.)

Date	Target	Sector	Amount (\$mm)	Type	Investor(s)
5/25/17	 billtrust	Software and Solutions	\$50	Growth	RIVERWOOD  CAPITAL
5/22/17	 LedgerX	Alternate Trading Systems/Market Makers	\$11	Series B	 Huiyin Blockchain Venture  MIAX Options
5/16/17	 SYMPHONY	Software and Solution	\$63	Venture	 BNP PARIBAS and others
4/25/17	 asg technologies	Software and Solutions	NA	Growth	 ELLIOTT and Evergreen Coast Capital Corp.
1/13/17	 WorkFusion	Software and Solutions	\$35	Series D	 Georgian Partners and others
1/5/17	 Klipfolio	Software and Solutions	\$9	Series B	 OMERS Ventures and others
12/20/16	 Neighborly SECURITIES	Alternative Trading Systems/Market Makers	\$25	Series A	EMERSON COLLECTIVE  8VC and others
11/14/16	 Midaxo Digitalizing Your M&A Playbook	Software and Solutions	\$4	Series A	 EOC CAPITAL TECHNOLOGY INVESTMENTS  TESI and others

Source: Capital IQ and Media Reports



Key Financing Deal Profiles

Personal Capital raises \$40 million in Series E funding

Target Company Overview PERSONAL CAPITAL

Personal Capital operates a hybrid digital wealth management platform that combines online financial tools with registered financial advisor expertise to enable people to understand, manage and grow their net worth. The company was incorporated in 2009 and is based in Redwood City, California.

Services Offered

Personal Capital's software enables users to monitor and manage their income, spending, and investments on a single screen. The company also provides investment checkup tools, personalized financial plans, risk assessments, and other tools through its software. Personal Capital is working on deepening its offerings for specific customer segments.

Financing Details



Personal Capital received \$40 million in an extension of its Series E funding round on August 1, 2017. The funds were raised from a consortium of investors led by IGM Financial. This funding extension builds on the company's \$75 million funding round in May 2016.

Use of Funds

Personal Capital intends to use the funds to expand its product development and marketing initiatives. It also plans to use the funds to scale its advisory force in multiple markets including Dallas, Atlanta, New York, greater Los Angeles, and Chicago, while expanding offices in San Francisco and Denver.

Addepar raises \$140 million in Series D funding from consortium led by Valor and 8VC

Target Company Overview



Addepar, Inc. operates a web technology platform that simplifies portfolio analysis for modern investors and investment advisors. Its platform helps with data aggregation, investment analysis, and reporting. Addepar was founded in 2009 and is based in Mountain View, California.

Services Offered

The company's services include:

- **Addepar**, a web technology platform that simplifies portfolio analysis and helps with data aggregation, investment analysis, reporting, understanding complex portfolios, discovering insights; improving decisions and interactions.
- **Addepar Open API**, a programmatic solution that enables clients and integration partners to tie Addepar's data and calculations into a multitude of other products and systems; and allows developers to build their own applications.

Financing Details











Addepar received \$140 million in its series D round of equity funding on June 8, 2017. The round was co-led by existing investor Valor Equity Partners L.P., Eight Partners, and Harald McPike and included participation from other investors. This is the firm's third round of funding and the company has raised \$206 million in funding to date.

Use of Funds

Addepar will use the proceeds to build the first unified platform for the financial world, expand its open platform globally, continue investing heavily in R&D, for expanding its product, platform, and tech-enabled services. The firm also aims to unlock more value for its clients while also serving a wider range of wealth and asset management firms, and expand its services to investors and their advisors.

Source: Capital IQ, company websites and press releases

IPO Activity Summary

Company	IPO Date	Amount Raised (\$mm)	IPO Price	Current Market Price	Total Return
 VIRTU FINANCIAL	4/16/15	\$314	\$19.00	\$17.65	(7%)
 markit	6/19/14	\$1300	\$24.00	\$44.04	81%
 FXCM	12/2/10	\$211	\$14.00	\$2.00	(86%)
 LPL Financial	11/18/10	\$470	\$30.00	\$42.46	42%
 ENVESTNET	7/29/10	\$100	\$9.00	\$39.60	340%
 CBOE <small>CHICAGO BOARD OPTIONS EXCHANGE</small>	6/15/10	\$339	\$29.00	\$91.40	215%
 SS&C	3/31/10	\$161	\$7.50	\$38.41	412%
 MSCI	11/15/07	\$252	\$18.00	\$102.99	472%
 ice	11/16/05	\$416	\$26.00	\$65.92	154%
 MORNINGSTAR	5/3/05	\$141	\$18.50	\$78.34	323%

Source: Capital IQ and Pitchbook
Market data as of June 30, 2017

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Update from Deutsche Bank, July 2017

Third consecutive quarter of ~7% annualized long-term organic growth, likely strongest amongst peers, w/ **record long-term inflows of \$94bn, including \$74bn into iShares products** & \$12bn into index mutual funds. Multi-asset inflows of \$9.5bn vs. our \$2.1bn est. driven by continued strong demand for LifePath target-date series.



Update from Jefferies, July 2017

Interest Rate Sensitivity – Management maintained its stance of **passing on the majority of the benefit of higher interest rates in 2017 back to shareholders**. However, looking beyond this year, the Company would not to commit to how much would be shared with customers vs being retained for shareholders. As the competitive market shifts, we would expect SCHW to adjust its stance on how much is shared with clients.



Update from J.P. Morgan, August 2017

BR sees FY18 revenue growing 2-3% (vs. prior JPMe/Street 5%), impacted by decline in distribution and event-driven revenues given a tough FY17 comp that included heavy activist activity. Encouragingly BR expects recurring revenue growth of 4-6% in FY18 (inline with prior JPMe 4.8%) which assumes stable trends in position growth. Management sees ~16% adj. operating margins (prior JPMe 16.2%), representing ~100bps of y/y improvement as **NACC cost synergies supplement benefits from 2H17 cost saving initiatives**.



Update from UBS, August 2017

As financial markets become increasingly fragmented (including by regulatory changes), **data becomes more valuable**. IDC has made ICE a more stable business with higher recurring revenues. Market Data drove the largest upside in results relative to our 2Q estimate. The segment delivered 4% organic growth for the quarter, and ICE maintained its full-year expectation that Market Data should grow at least 6%. Management noted that it is encouraged by the underlying components of growth with ASV for both Pricing & Analytics and Desktop & Connectivity outpacing the headline number. New contract signings were also up double-digits in the 1H in both EMEA and APAC.



Update from Raymond James, July 2017

We continue to see attractive optionality in the firm's shares. New account, and to a lesser extent, net new asset trends have accelerated and suggest the firm may be able to meet its aggressive growth targets that would position E*Trade for much improved organic revenue growth. However, if those **targets are not reached by next fall**, E*Trade's board has indicated it will **examine strategic alternatives**.

Appendix – Coverage Universe Components

The coverage universe for various sectors is as follows.

1 Payments:

ADS, FLT, ENXTPA:EDEN, WEX, FIS, FISV, JKHY, ACIW, EPAY, V, MA, AXP, PYPL, SHOP, ENXTAM:GTO, DBD, CATM, MB, EVRI, PMTS, BOVESPA:CIEL3, FDC, GPN, TSS, VNTV, SQ, LSE:WPG, XTRA:WDI, ENXTPA:WLN, DLX, LSE:PAYS, TSE:3769, QIWI, EVTC, LSE:PAY, UEPS, NEWT, JTPY, ENXTPA:ING, NCR, SZSE:002152, PAY, SEHK:327, AIM:SCH, PAR, WU, EEFT, HAWK, GDOT, MGI, ASX:OFX, PLPM

2 Bank Technology / Solutions:

FIS, FISV, JKHY, SWX:TEMN, BSE:532466, TSE:6457, QTWO, SGX:5CP, EPAY, OTCCK:CSVI, BSE:538835, SWX:CLXN, AIM:MONI, LSE:EXPN, EFX, TRU, OM:IJ, FICO, FNF, ZG, CSGP, ELLI, CLGX, BKFS, LSE:ZPG, STC, TSX:REAL, ASP, REIS, ENXTAM:WKL, PEGA, DNB, ENXTPA:SOP, WSE:ACP, MITK, AIM:SQS, NTWK, INTC, IBM, AXP, PYPL, FDC

3 Specialty Finance / Alternative Lending:

NAVI, NNI, PRAA, ECPG, PRGX, PFMT, ASFI, CIT, CACC, NEWS, MRLN, TSX:CHW, ASX:ZML, CPSS, COF, SYF, DFS, SLM, LSE:PFG, SC, OMF, FCFS, AAN, LSE:TCS, SGBK, WRDL, LSE:IPF, TBBK, EZPW, RM, OB:MONO-ME, ATLC, URI, AL, TSX:EFN, TGH, RCII, ASX:FXL, CAI, FLY, NSM, CASH, PHH, PFSI, OCN, WAC, LC, TREE, YRD, DB:FRU, ENVA, XRF, ELVT, ONDK, DB:MBC

4 Securities:

BGCP, LSE:NXG, LSE:IGG, IBKR, ENXTAM:FLOW, KCG, VIRT, ITG, ENXTPA:VIL, INTL, SWX:CFT, BMV:FINAMEX O, WFC, BAC, C, LSE:HSBA, ASX:CBA, TSX:RY, TSX:TD, ENXTPA:BNP, USB, AXP, LSE:LLOY, PNC, ASX:NAB, TSX:BMO, LSE:BARC, SEHK:11, LSE:RBS, SGX:D05, TSX:CM, NSEI:ICICIBANK, MTB, BIT:MB, UMBF, LSE:CBG, FII, NSEI:IIFL, XTRA:COM, CME, ICE, SEHK:388, XTRA:DB1, LSE:LSE, BOVESPA:BVMF3, NDAQ, CBOE, ASX:ASX, SGX:S68, ENXTPA:ENX, BME:BME, TSX:X, SPGI, TSX:TRI, MCO, INFO, MSCI, FDS, ENXTPA:FIM, MORN, NSEI:CRISIL, VALU, JPM, GS, MS, SWX:UBSG, DB:DBK, SWX:CSGN, ASX:MQG, TSE:8604, RJF, LAZ, SF, PJC, GHL, COWN, AMEX:LTS, AIM:NUM, JMP, BLK, BK, BEN, NTRS, AMP, TROW, IVZ, LSE:HL, LSE:INVP, JHG, AB, CNS, WDR, APAM, WETF, VRTS, SCHW, AMTD, ETFC, MKTX, TSE:8628, AIM:PLUS, TSE:8698, YIN, LSE:CMCX, SWX:SQN, GCAP, GLBR, STT, BR, SEIC, ASX:CPU, DST, LPLA, LSE:TCAP, FNGN, ENV, LSE:SNN, ASX:BVS, ENXTAM:KA, SSNC, CPSE:SIM, LSE:ALFA, ASX:IRE, LSE:FDSA, AIM:FDP, ENXTPA:LIN, AIM:SOG

5 Insurance:

LSE:REL, VRSK, DNB, ACXM, MMC, AON, WLTW, AJG, BRO, LSE:JLT, MET, PRU, CI, TSX:MFC, AFL, LSE:AV, TSX:GWO, TSX:SLF, LSE:LGEN, PFG, LNC, SWX:SLHN, LSE:SL, ENXTAM:AGN, TMK, PRI, ANAT, LSE:HSD, DB:ALV, ENXTPA:CS, AIG, SWX:ZURN, ALL, AFG, GNW, LSE:MONY, RATE, EHTH, ASX:ISU, QNST, CB, TRV, PGR, HIG, CINF, LSE:RSA, THG, MCY, SIGI, EIG, STFC, MKL, WRB, AIZ, AWH, PRA, AFSI, RLI, AGII, OB, NAVG, AMSF, GBLL, GWRE, EBIX, SPNS, CRD.B, AMEX:MJCO, TSXV:SY, PN, FNF, ORI, FAF, STC

6 BPO:

ENXTPA:RCF, CVG, TTEC, SYKE, SRT, ESRX, ATHN, HQY, BOVESPA:QUAL3, MDRX, HMSY, QSII, CSLT, CPSI, RCM, ADP, PAYX, ULTI, WAGE, TNET, CSOD, NSP, BNFT, ACN, NSEI:TCS, CTSH, NSEI:INFY, DXC, BSE:507685, NSEI:HCLTECH, ENXTPA:CAP, ENXTPA:ATO, DOX, OTEX, NSEI:TECHM, CACI, EXLS, WNS, CALD, SYNT, BSE:532819, NSEI:HEXAWARE, VRTU, UIS, VDSI, LSE:MCGN, BIT:BET, TSX:GIB.A, LSE:CPI, G, BSE:526299, CSGS, BSE:532809, AIM:IBPO, PRGX

7 Financial Management Solutions:

INTU, LSE:SGE, BL, COUP, ASX:RKN, TYL, PEGA, ASX:TNE, QADA, AMSW.A, LSE:MCGN, NSEI:RAMCOSYS, ADP, PAYX, WDAY, ULTI, HRB, PAYC, WAGE, PCTY, CSOD, NSP, LSE:HRG

8 Analytics / IoT:

ORCL, DB:SAP, CRM, VMW, LSE:EXPN, OTEX, SPLK, DATA, FICO, XTRA:SOW, RP, NEWR, MSTR, CLDR, AYY, HDP, VERI, DWCH, GOOGL, MSFT, AMZN, KOSE:A005930, T, CMCS.A, VZ, QCOM, TMUS, HLSE:NOKIA, S, GRMN, LOGM, SLAB, IDCC, AMBA, GLOB, FIT, CTRL, GE, INTC, CSCO, DB:SIE, HON, TXN, TSE:6501, HPE, SWKS, RHT, ARW, PTC, ZBRA, CY, IRDM, TSX:SW, ORBC, CAMP, SSNI, IBM, LSE:REL, EFX, NLSN, VRSK, IT, TRU, DNB, TDC, CLGX, VRNT, ACXM, FORR, TSX:AIM, MATR

9 Healthcare Tech:

INOV, OMCL, VCRA, TRHC, STRM, CERN, DB:COP, MDRX, EVH, QSII, HSTM, AIM:EMIS, CPSI, COTV, HMSY, ATHN, AIM:CRW, RCM, SREV, UNH, AET, ANTM, HUM, CNC, WCG, NUAN, MMS, MOH, MGLN, GTS, HIIQ



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