



Evolve
Capital Partners

QUARTERLY DEALS & MARKET ROUNDUP

Securities

July 2018



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:



Asset managers are adopting direct-to-consumer (D2C) solutions to expand their institutional client base



Robo-advisors are scaling up their technology to retain High Net Worth (HNW) clientele



Analytics and IoT could be gamechangers for financial content providers



Increasing use of technology in investment management and cryptocurrency trading has driven transaction volumes



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 financial 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 Technology 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



Data & Analytics / IoT





Contents

1. Market Summary

- A. Multiples and Margins – All Sectors
- B. Multiples and Margins – Securities
- C. Stock Comparables – Securities

2. Market Updates

- A. Recent Updates
- B. Key Initiatives by Leading Securities Companies

3. Deal Activity

- A. Overview
- B. M&A Transaction Activity Summary
- C. Key M&A Deal Profiles
- D. Financing Transaction Activity Summary
- E. Key Financing Deal Profiles

4. IPO Activity Summary

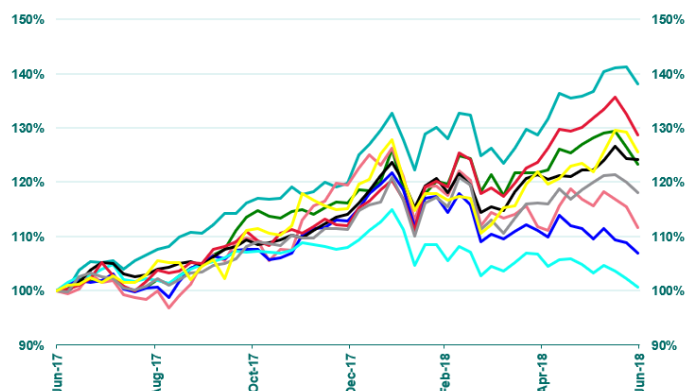
5. Select Wall Street Research & Commentary



Market Summary

Industry Stock Market Performance of ECP Sector Coverage

Last 12 Months



Payments

Financial Management Solutions

Healthcare Tech

BPO

Bank Technology Solutions

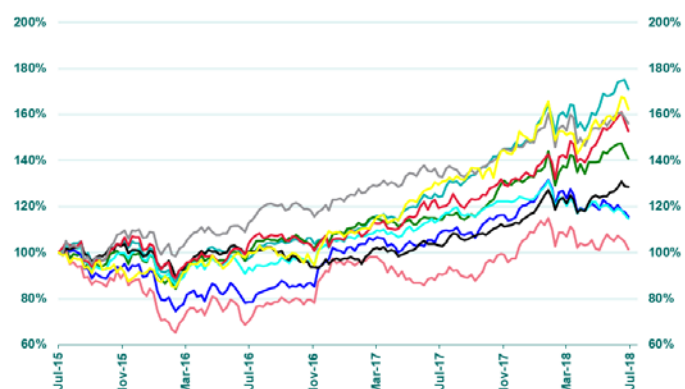
Data & Analytics / IoT

Specialty Finance / Alternative Lending

Securities

Insurance

Last 3 Years



Payments

Healthcare Tech

Data & Analytics / IoT

Financial Management Solutions

Bank Technology Solutions

BPO

Securities

Insurance

Specialty Finance / Alternative Lending

Indexed Price Performance

Sector	3 Months	1 Year	3 Years
Payments	7.9%	37.8%	71.1%
Bank Tech / Solutions	2.9%	23.0%	40.7%
Specialty Finance / Alternative Lending	(5.4%)	11.4%	1.3%
Securities	(6.5%)	7.1%	15.6%
Healthcare Tech	(4.6%)	0.4%	62.2%
BPO	5.9%	24.8%	28.5%
Financial Management Solutions	8.4%	28.1%	52.8%
Data & Analytics / IoT	2.1%	17.4%	56.2%
Insurance	7.4%	25.1%	14.7%

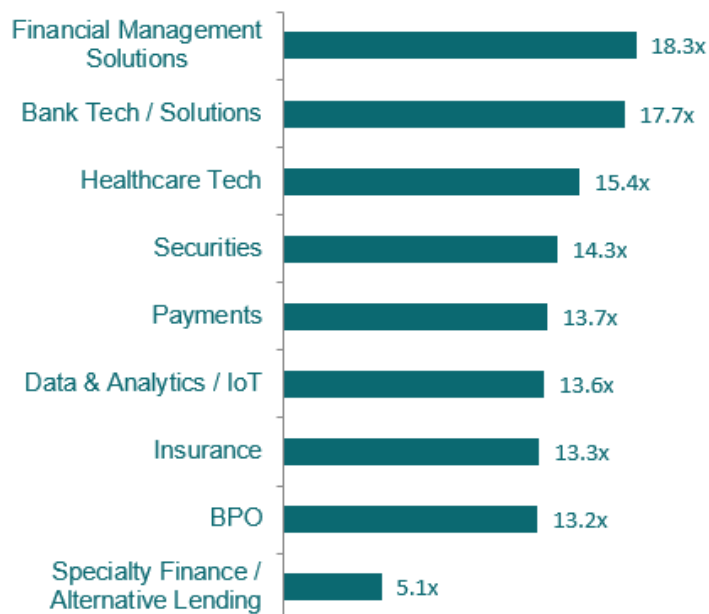
Source: Capital IQ and market data as of June 29, 2018

Evolve Capital Partners; Deals & Market Roundup – Securities 6

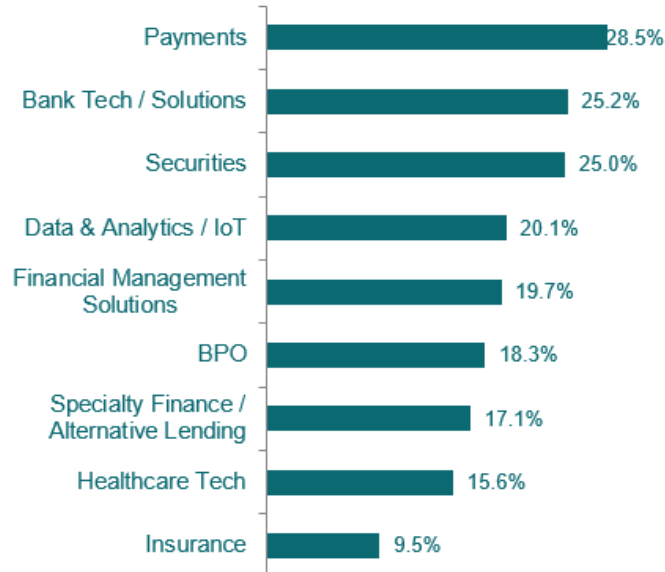
Multiples & Margins – All Sectors

Industry-wide Multiples and Margins

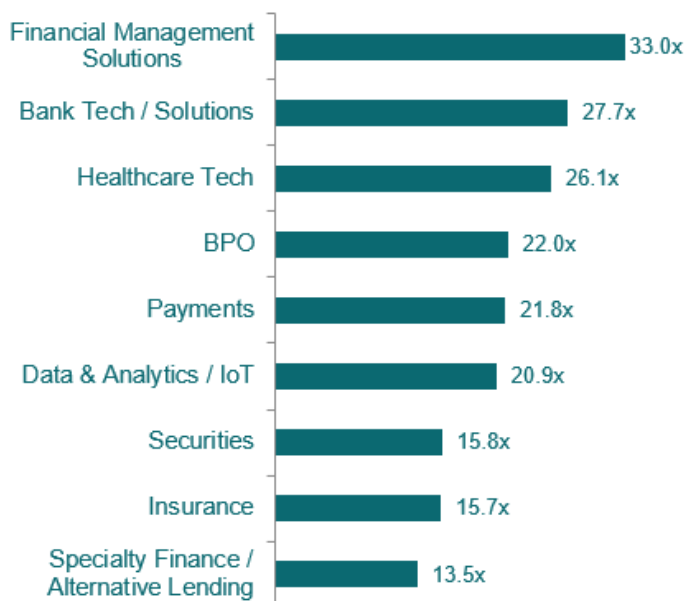
2018E EBITDA Multiples



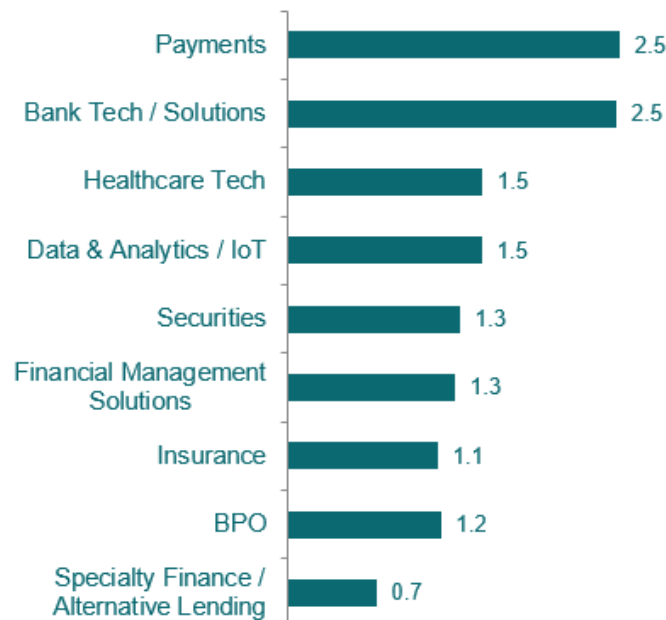
LTM EBITDA Margins



2018E Price / Earnings Multiples



2018E PEG Ratio

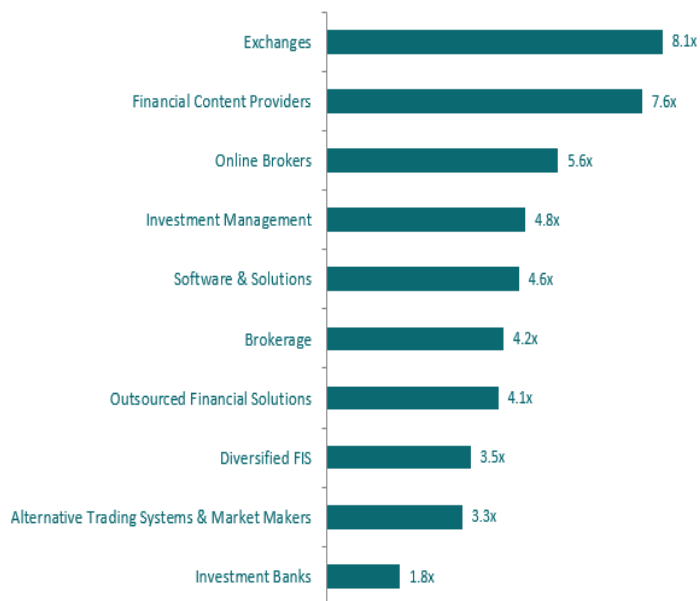


Source: Capital IQ and market data as of June 29, 2018

Multiples & Margins – Securities

Sub-sector Multiples and Margins

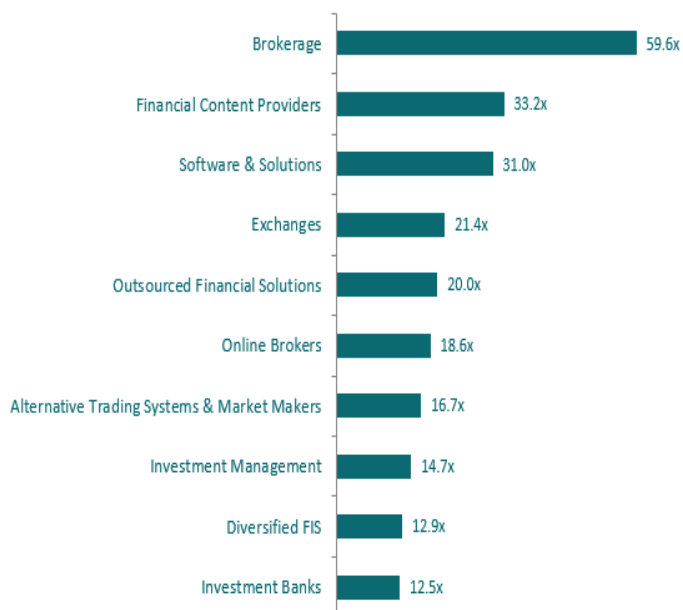
2018E EV / Sales or MV / Sales



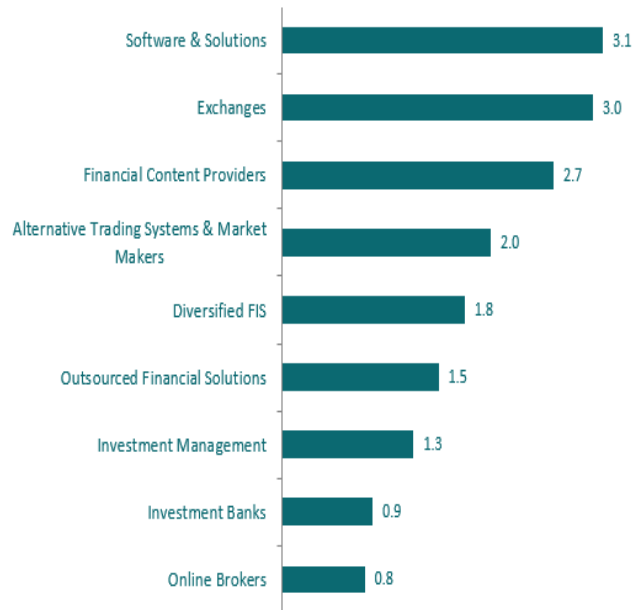
LTM Net Income Margins



2018E Price / Earnings Multiples



2018E PEG Ratio



Due to unique nature of certain sub-sectors in the comp set, Enterprise value is not a proper metric of valuation. However Market Value is a proper metric for valuation. Market value metric is used for : Alternative Trading Systems & Market Makers, Diversified FIS, Investment Banks, Online Brokers and Brokerage.

Source: Capital IQ and market data as of June 29, 2018

Evolve Capital Partners; Deals & Market Roundup – Securities 8

Stock Comparables– Securities

(All figures in US Dollars. Figures in millions, except per share data, as of June 29, 2018)

Securities Sub-Sector	Aggregate		Multiples					
	Market Cap	Enterprise Value	EV / Sales or MV / Sales		EV / EBITDA		Price / Earnings	
			FY 18E	FY19E	FY 18E	FY19E	FY 18E	FY19E
Alternative Trading Systems & Market Makers	\$23,143	\$599	3.3x	3.4x	NM	NM	16.7x	15.1x
Diversified FIS	\$1,987,783	\$2,182	3.5x	84.0x	NM	NM	12.9x	11.9x
Exchanges	\$244,594	\$207,974	8.1x	7.6x	12.7x	11.9x	21.4x	19.6x
Financial Content Providers	\$162,610	\$182,982	7.6x	7.0x	19.9x	18.0x	33.2x	26.7x
Investment Banks	\$711,882	NA	1.8x	1.7x	NM	NM	12.5x	10.4x
Investment Management	\$269,817	\$178,760	4.8x	4.4x	10.8x	9.8x	14.7x	13.5x
Online Brokers	\$132,510	\$7,196	5.6x	5.1x	NM	NM	18.6x	15.7x
Outsourced Financial Solutions	\$81,163	\$46,843	4.1x	3.8x	15.7x	14.0x	20.0x	17.7x
Software & Solutions	\$21,758	\$23,770	4.6x	4.2x	19.3x	17.2x	31.0x	27.3x
Brokerage	\$1,839	NA	4.2x	2.5x	NM	NM	59.6x	7.6x
Sector Median			3.5x	3.3x	14.7x	13.4x	15.6x	14.3x
Sector Mean			4.2x	3.9x	14.3x	12.9x	18.3x	15.8x

Due to unique nature of certain sub-sectors in the comp set, Enterprise value is not a proper metric of valuation. However Market Value is a proper metric for valuation. Market value metric is used for : Alternative Trading Systems & Market Makers, Diversified FIS, Investment Banks, Online Brokers and Brokerage.

Securities Sub-Sector	Number of Companies	Growth Rates					
		Revenue		EPS 5 Yr	EBITDA Margin		PEG* FY 18E
		FY 18E	FY 19E		FY 18E	FY 19E	
Alternative Trading Systems & Market Makers	8	48.5%	9.6%	5.7%	45.0%	46.1%	2.04
Diversified FIS	27	6.6%	4.8%	8.8%	6.2%	6.4%	1.79
Exchanges	13	10.3%	6.0%	8.5%	63.6%	64.6%	3.04
Financial Content Providers	9	9.5%	7.5%	7.1%	39.6%	40.5%	2.66
Investment Banks	17	12.2%	4.9%	13.7%	6.8%	7.3%	0.89
Investment Management	16	11.2%	7.1%	11.6%	30.4%	30.5%	1.29
Online Brokers	11	24.0%	11.1%	9.7%	29.3%	32.2%	0.81
Outsourced Financial Solutions	11	11.1%	6.8%	10.2%	20.5%	21.4%	1.53
Software & Solutions	8	34.2%	9.8%	5.3%	24.4%	25.4%	3.14
Brokerage	3	NA	69.7%	NA	NA	NA	NA
Sector Median		9.2%	5.8%	8.5%	23.4%	24.1%	1.06
Sector Mean		15.5%	7.3%	9.3%	25.0%	25.8%	1.30

* 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 June 29, 2018)

Alternative Trading Systems & Market Makers											
Company Name	Market Cap	LTM Total Assets	LTM Sales	LTM Return on Equity	MV / Sales		P / E		P / Book Value		PEG
					FY18	FY19	FY18	FY19	FY18	FY19	FY18
BGC Partners, Inc.	\$3,598	\$5,457	\$3,416	5.7%	0.9x	0.9x	5.4x	4.9x	NA	NA	NA
NEX Group plc	\$5,047	\$2,413	\$799	9.9%	6.1x	6.1x	37.0x	28.4x	NA	4.1x	NA
IG Group Holdings plc	\$4,173	\$1,198	\$728	24.2%	5.6x	5.8x	14.2x	14.7x	NA	NA	2.2
Interactive Brokers Group, Inc.	\$4,604	\$61,162	\$1,743	12.9%	2.4x	2.1x	27.5x	23.7x	NA	NA	1.5
Flow Traders N.V.	\$1,809	\$7,108	\$551	15.1%	3.8x	4.7x	8.7x	14.5x	4.0x	3.5x	NA
Virtu Financial, Inc.	\$2,764	\$7,320	\$1,058	2.2%	2.6x	2.6x	6.9x	6.5x	3.3x	2.9x	2.5
Investment Technology Group, Inc.	\$691	\$785	\$492	(10.3%)	1.4x	1.3x	17.4x	13.0x	NA	NA	NA
VIEL & Cie	\$457	\$2,377	\$899	9.5%	NM	NM	NM	NM	NA	NA	NA
Median				9.7%	2.6x	2.6x	14.2x	14.5x	NA	NA	2.2
Mean				8.7%	3.3x	3.4x	16.7x	15.1x	3.6x	3.5x	2.0

Diversified FIS											
Company Name	Market Cap	LTM Total Assets	LTM Sales	LTM Return on Equity	MV / Sales		P / E		P / Book Value		PEG
					FY18	FY19	FY18	FY19	FY18	FY19	FY18
Wells Fargo & Company	\$270,152	\$1,951,757	\$86,082	11.0%	3.1x	3.0x	12.0x	11.2x	1.5x	1.4x	0.9
Bank of America Corporation	\$285,828	\$2,281,234	\$84,834	6.8%	3.1x	3.0x	10.9x	10.1x	1.2x	1.1x	1.2
Citigroup Inc.	\$170,642	\$1,842,465	\$64,655	(3.1%)	2.3x	2.2x	10.5x	10.0x	0.9x	0.9x	NA
HSBC Holdings plc	\$187,190	\$2,521,771	\$50,411	6.2%	3.4x	3.2x	12.9x	12.1x	1.0x	1.0x	3.2
Commonwealth Bank of Australia	\$34,639	\$749,270	\$20,033	16.0%	4.3x	4.7x	13.4x	12.6x	2.0x	1.9x	7.1
Royal Bank of Canada	\$108,460	\$340,247	\$31,451	15.7%	3.4x	3.3x	11.7x	11.2x	2.0x	1.8x	1.4
The Toronto-Dominion Bank	\$106,770	\$391,523	\$27,333	14.1%	3.8x	3.6x	12.0x	11.4x	1.9x	1.7x	1.3
BNP Paribas SA	\$77,461	\$2,353,809	\$49,675	7.7%	1.5x	1.5x	8.4x	7.7x	0.7x	0.7x	1.2
U.S. Bancorp	\$82,156	\$462,040	\$20,246	12.8%	3.6x	3.4x	12.3x	11.8x	1.8x	1.7x	1.7
American Express Company	\$84,315	\$181,153	\$31,298	14.1%	2.1x	2.0x	13.6x	12.6x	4.0x	3.5x	1.4
Lloyds Banking Group plc	\$59,430	\$1,097,667	\$24,953	8.0%	2.4x	2.4x	8.6x	8.6x	1.0x	1.0x	2.4
The PNC Financial Services Group, Inc.	\$63,429	\$380,768	\$16,111	11.4%	3.7x	3.5x	12.8x	12.1x	1.4x	1.4x	1.3
National Australia Bank Limited	\$55,036	\$618,440	\$13,981	12.0%	4.1x	3.9x	12.4x	11.0x	1.5x	1.4x	3.9
Bank of Montreal	\$49,496	\$550,092	\$16,963	12.3%	3.0x	2.8x	11.5x	10.9x	1.6x	1.5x	1.4
Barclays PLC	\$42,672	\$1,531,727	\$26,249	1.9%	1.5x	1.5x	9.4x	8.1x	0.6x	0.6x	0.4
Hang Seng Bank Limited	\$47,806	\$189,214	\$4,275	13.7%	9.6x	8.7x	17.4x	15.9x	2.4x	2.3x	2.4
The Royal Bank of Scotland Group plc	\$40,584	\$397,575	\$17,855	2.9%	2.4x	2.3x	9.8x	9.1x	0.7x	0.7x	1.0
DBS Group Holdings Ltd	\$50,053	\$387,378	\$8,309	9.3%	5.0x	4.6x	11.6x	10.3x	1.4x	1.3x	0.5
Canadian Imperial Bank of Commerce	\$38,671	\$438,213	\$12,793	17.2%	2.8x	2.7x	9.5x	9.4x	1.6x	1.4x	1.6
ICICI Bank Limited	\$25,865	\$152,179	\$10,255	11.0%	4.2x	4.2x	22.7x	17.0x	NA	1.5x	NA
M&T Bank Corporation	\$24,712	\$118,593	\$5,549	8.6%	4.2x	4.1x	13.7x	13.4x	1.7x	1.6x	1.0
Mediobanca Banca di Credito Finanziario S	\$8,086	\$80,371	\$2,312	8.2%	3.0x	2.8x	8.7x	9.0x	0.8x	0.7x	0.7
UMB Financial Corporation	\$3,816	\$21,772	\$957	8.8%	3.6x	3.4x	16.3x	15.3x	1.7x	1.6x	1.1
Close Brothers Group plc	\$2,922	\$12,237	\$1,100	16.4%	2.7x	2.6x	10.8x	10.7x	1.7x	1.6x	1.5
Federated Investors, Inc.	\$2,366	\$1,231	\$1,093	41.6%	2.0x	1.9x	10.0x	9.3x	3.2x	NA	1.7
IFIL Holdings Limited	\$3,123	\$5,211	\$253	16.3%	NM	NM	20.3x	18.1x	NA	NA	NA
comdirect bank Aktiengesellschaft	\$2,043	\$27,657	\$468	11.3%	4.4x	4.1x	25.7x	23.0x	2.7x	2.6x	2.7
Median				11.3%	3.2x	3.1x	12.0x	11.2x	1.6x	NA	1.4
Mean				11.6%	3.5x	3.3x	12.9x	11.9x	1.6x	1.5x	1.8

Exchanges											
Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA %	EV / Sales		EV / EBITDA		P / E		PEG
					FY18	FY19	FY18	FY19	FY18	FY19	FY18
CME Group Inc.	\$55,817	\$57,175	\$3,824	69.2%	13.7x	13.0x	19.0x	18.0x	24.2x	23.0x	2.3
Intercontinental Exchange, Inc.	\$42,602	\$48,999	\$4,688	61.4%	10.0x	9.4x	15.5x	14.4x	20.8x	19.2x	1.6
Hong Kong Exchanges and Clearing Limited	\$37,409	\$3,964	\$1,807	69.6%	1.9x	1.7x	2.6x	2.2x	31.4x	26.4x	3.6
Deutsche Börse Aktiengesellschaft	\$24,827	\$9,111	\$3,333	51.5%	2.9x	2.7x	4.8x	4.4x	21.6x	19.2x	1.5
London Stock Exchange Group plc	\$20,474	\$21,960	\$2,642	43.8%	7.8x	7.2x	15.0x	13.4x	25.9x	22.6x	1.8
B3 S.A. - Brasil, Bolsa, Balcão	\$10,840	\$10,622	\$1,264	46.8%	9.0x	8.2x	12.7x	11.5x	17.8x	14.9x	1.5
Nasdaq, Inc.	\$15,239	\$18,882	\$4,147	52.2%	7.5x	7.2x	14.6x	13.4x	18.7x	17.1x	1.6
Cboe Global Markets, Inc.	\$11,707	\$12,699	\$2,651	66.0%	10.8x	10.5x	16.0x	15.4x	22.6x	21.5x	1.2
ASX Limited	\$9,217	\$8,193	\$756	93.0%	13.4x	12.6x	17.5x	16.5x	26.9x	25.7x	5.2
Singapore Exchange Limited	\$5,656	\$5,069	\$641	52.1%	8.1x	7.7x	13.9x	13.0x	20.7x	19.6x	4.0
Euronext N.V.	\$4,421	\$4,480	\$681	53.9%	6.3x	5.9x	10.9x	10.1x	16.2x	14.7x	4.4
Bolsas y Mercados Españoles, Sociedad Hi	\$2,743	\$2,343	\$397	63.8%	6.3x	6.2x	9.7x	9.5x	15.4x	15.3x	7.7
TMX Group Limited	\$3,644	\$4,476	\$619	62.1%	7.2x	6.9x	12.7x	12.2x	16.6x	15.7x	NA
Median				61.4%	7.8x	7.2x	13.9x	13.0x	20.8x	19.2x	2.0
Mean				60.4%	8.1x	7.6x	12.7x	11.9x	21.4x	19.6x	3.0

Source: Capital IQ

Stock Comparables–Securities Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of June 29, 2018)

Financial Content Providers

Company Name	Market	Enterprise	LTM	LTM EBITDA	EV / Sales		EV / EBITDA		P / E		PEG
	Cap	Value	Sales	%	FY18	FY19	FY18	FY19	FY18	FY19	FY18
S&P Global Inc.	\$51,238	\$54,463	\$6,177	49.0%	8.4x	8.0x	17.1x	16.0x	23.8x	22.0x	1.6
Thomson Reuters Corporation	\$28,419	\$35,617	\$11,381	22.3%	6.5x	6.1x	27.6x	24.3x	74.2x	45.6x	NA
Moody's Corporation	\$32,730	\$37,081	\$4,356	48.4%	7.9x	7.4x	16.5x	15.2x	21.8x	19.9x	1.9
IHS Markit Ltd.	\$20,224	\$24,534	\$3,790	31.3%	6.3x	6.0x	16.1x	14.8x	21.8x	19.5x	2.0
MSCI Inc.	\$14,727	\$15,956	\$1,324	51.8%	11.1x	10.2x	20.3x	18.2x	30.4x	26.9x	3.1
FactSet Research Systems Inc.	\$7,701	\$8,032	\$1,331	34.3%	6.0x	5.6x	17.7x	16.3x	22.9x	20.9x	2.1
Morningstar, Inc.	\$5,453	\$5,247	\$946	NA	NM	NM	NM	NM	NM	NM	NA
CRISIL Limited	\$1,887	\$1,845	\$258	28.0%	6.9x	6.1x	24.0x	21.0x	37.4x	32.1x	5.2
Value Line, Inc.	\$230	\$207	\$36	NA	NM	NM	NM	NM	NM	NM	NA
Median				34.3%	6.9x	6.1x	17.7x	16.3x	23.8x	22.0x	2.1
Mean				37.9%	7.6x	7.0x	19.9x	18.0x	33.2x	26.7x	2.7

Investment Banks

Company Name	Market	LTM Total	LTM Sales	LTM Return	MV / Sales		P / E		P / Book Value		PEG
	Cap	Assets		on Equity	FY18	FY19	FY18	FY19	FY18	FY19	FY18
JPMorgan Chase & Co.	\$354,729	\$2,533,600	\$96,807	9.6%	3.3x	3.1x	11.5x	11.2x	1.5x	1.4x	1.8
The Goldman Sachs Group, Inc.	\$83,311	\$916,776	\$34,083	5.0%	2.4x	2.3x	9.4x	9.1x	1.1x	1.1x	0.8
Morgan Stanley	\$83,910	\$851,733	\$39,277	8.0%	2.1x	2.0x	10.1x	9.8x	1.2x	1.1x	0.7
UBS Group AG	\$58,020	\$939,544	\$30,655	2.1%	1.9x	1.8x	11.1x	9.5x	1.1x	1.0x	0.4
Deutsche Bank Aktiengesellschaft	\$22,075	\$1,770,812	\$31,592	(1.1%)	0.7x	0.7x	16.6x	9.1x	0.3x	0.3x	0.4
Credit Suisse Group AG	\$38,214	\$817,075	\$21,811	(2.2%)	1.7x	1.6x	12.2x	8.6x	0.9x	0.8x	0.3
Macquarie Group Limited	\$29,508	\$139,686	\$8,294	13.6%	3.6x	3.5x	15.4x	14.7x	NA	2.4x	NA
Nomura Holdings, Inc.	\$16,482	\$384,324	\$14,123	8.7%	1.2x	1.2x	NM	NM	NA	0.6x	NA
Raymond James Financial, Inc.	\$12,609	\$34,883	\$6,855	11.9%	1.7x	1.6x	12.5x	10.9x	2.1x	1.8x	0.8
Lazard Ltd	\$5,843	\$4,929	\$2,778	20.4%	2.0x	1.9x	9.8x	9.6x	5.9x	4.9x	1.0
Stifel Financial Corp.	\$3,739	\$21,384	\$3,001	6.5%	1.2x	1.1x	8.9x	8.1x	NA	NA	0.9
Piper Jaffray Companies	\$1,022	\$2,025	\$843	(7.6%)	1.3x	1.2x	11.0x	8.8x	NA	NA	NA
Greenhill & Co., Inc.	\$651	\$611	\$258	(10.7%)	2.0x	2.0x	20.5x	18.2x	5.5x	NA	NA
Cowen Inc.	\$409	\$3,296	\$710	(3.2%)	0.5x	0.5x	6.5x	5.8x	0.5x	0.5x	NA
Ladenburg Thalmann Financial Services Inc	\$682	\$632	\$1,301	2.1%	0.5x	0.5x	NM	NM	NA	NA	NM
Numis Corporation Plc	\$564	\$555	\$216	23.1%	2.9x	2.9x	NM	NM	NA	NA	NA
JMP Group LLC	\$116	\$1,077	\$122	(10.9%)	0.8x	0.8x	19.0x	12.7x	NA	NA	1.9
Median				NA	1.7x	1.6x	11.3x	9.5x	1.2x	NA	0.8
Mean				4.4%	1.8x	1.7x	12.5x	10.4x	2.0x	1.5x	0.9

Investment Management

Company Name	Market	Enterprise	LTM	LTM EBITDA	EV / Sales		EV / EBITDA		P / E		PEG
	Cap	Value	Sales	%	FY18	FY19	FY18	FY19	FY18	FY19	FY18
BlackRock, Inc.	\$80,414	\$79,033	\$12,982	44.8%	5.3x	4.9x	13.2x	12.0x	17.8x	16.2x	1.3
The Bank of New York Mellon Corporation	\$54,506	NA	\$15,902	NA	NA	NA	NM	NM	12.8x	12.3x	1.7
Franklin Resources, Inc.	\$17,314	\$8,681	\$6,464	35.8%	1.4x	1.4x	3.6x	3.6x	10.0x	10.4x	1.4
Northern Trust Corporation	\$23,149	NA	\$5,616	NA	NA	NA	NM	NM	16.0x	15.3x	1.1
Ameriprise Financial, Inc.	\$20,228	\$22,976	\$12,323	28.4%	1.8x	1.7x	6.1x	6.0x	9.4x	9.1x	NA
T. Rowe Price Group, Inc.	\$28,110	\$26,975	\$4,988	46.1%	5.0x	4.7x	10.7x	10.2x	15.8x	15.0x	1.2
Hargreaves Lansdown plc	\$12,325	\$11,956	\$563	69.6%	20.4x	18.1x	30.0x	26.0x	38.8x	33.9x	2.6
Investec plc	\$6,728	NA	\$3,118	NA	NA	NA	NM	NM	9.8x	9.6x	NA
Janus Henderson Group plc	\$5,996	\$5,194	\$2,098	28.3%	2.2x	2.2x	6.6x	6.4x	10.3x	9.8x	0.8
Cohen & Steers, Inc.	\$1,950	\$1,767	\$383	42.3%	4.6x	4.3x	11.2x	10.5x	16.7x	15.7x	1.8
Waddell & Reed Financial, Inc.	\$1,474	\$768	\$1,168	22.9%	0.7x	0.7x	3.0x	3.3x	8.7x	9.0x	1.3
Artisan Partners Asset Management Inc.	\$1,626	\$1,667	\$824	36.6%	2.0x	1.9x	5.2x	5.0x	6.9x	6.4x	1.0
WisdomTree Investments, Inc.	\$1,374	\$1,267	\$235	22.1%	4.3x	3.8x	13.9x	10.7x	24.3x	18.1x	0.9
Virtus Investment Partners, Inc.	\$923	\$2,563	\$475	24.2%	4.7x	4.3x	15.0x	13.8x	8.9x	8.0x	0.4
Median				35.8%	4.3x	3.8x	10.7x	10.2x	11.5x	11.3x	1.2
Mean				36.5%	4.8x	4.4x	10.8x	9.8x	14.7x	13.5x	1.3

Source: Capital IQ

Stock Comparables–Securities Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of June 29, 2018)

Online Brokers

Company Name	Market Cap	LTM Total Assets	LTM Sales	LTM Return on Equity	MV / Sales		P / E		P / Book Value		PEG
					FY18	FY19	FY18	FY19	FY18	FY19	
The Charles Schwab Corporation	\$68,943	\$243,274	\$8,935	13.5%	6.8x	6.1x	20.9x	17.5x	3.6x	3.3x	0.9
TD Ameritrade Holding Corporation	\$31,079	\$38,627	\$4,499	14.2%	5.8x	5.3x	17.4x	14.3x	3.9x	3.5x	0.6
E*TRADE Financial Corporation	\$16,137	\$63,365	\$2,696	9.3%	5.6x	5.2x	17.1x	15.6x	2.4x	2.1x	0.6
MarketAxess Holdings Inc.	\$7,441	\$581	\$409	30.1%	16.9x	14.9x	44.8x	36.7x	NA	NA	NA
Matsui Securities Co., Ltd.	\$2,453	\$6,912	\$244	NA	7.9x	7.2x	NM	NM	NA	NA	NA
Plus500 Ltd.	\$2,427	\$272	\$437	110.3%	4.2x	4.1x	9.2x	8.9x	10.0x	8.0x	NA
Monex Group, Inc.	\$1,554	\$8,402	\$488	0.2%	3.1x	2.8x	NM	NM	NA	2.0x	NA
Yintech Investment Holdings Limited	\$591	\$636	\$232	13.6%	3.1x	2.3x	NM	9.6x	NA	NA	NM
CMC Markets Plc	\$759	\$319	\$261	21.0%	3.0x	3.3x	12.7x	15.8x	NA	2.5x	NA
Swissquote Group Holding Ltd	\$788	\$5,249	\$204	13.6%	3.8x	3.5x	17.2x	14.9x	2.6x	2.3x	1.2
GAIN Capital Holdings, Inc.	\$338	\$1,449	\$343	(3.6%)	0.9x	0.9x	9.3x	8.3x	NA	NA	NA
Median				13.6%	4.2x	4.1x	17.1x	14.9x	3.6x	2.5x	0.7
Mean				22.2%	5.6x	5.1x	18.6x	15.7x	4.5x	3.4x	0.8

Outsourced Financial Solutions

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA %	EV / Sales		EV / EBITDA		P / E		PEG
					FY18	FY19	FY18	FY19	FY18	FY19	
State Street Corporation	\$34,016	NA	\$11,517	NA	NA	NA	NM	NM	11.9x	11.3x	0.7
Broadridge Financial Solutions, Inc.	\$13,573	\$14,423	\$4,355	17.2%	3.3x	3.2x	16.7x	16.0x	26.9x	24.5x	2.7
SEI Investments Co.	\$9,883	\$9,155	\$1,572	28.4%	5.6x	5.3x	14.5x	13.6x	19.3x	18.5x	1.6
Computershare Limited	\$7,401	\$8,473	\$2,230	23.4%	3.7x	3.5x	13.8x	12.3x	21.6x	19.0x	1.6
LPL Financial Holdings Inc.	\$5,882	\$7,534	\$4,488	14.5%	1.5x	1.4x	9.1x	8.0x	13.2x	11.3x	1.0
TP ICAP plc	\$3,132	NA	\$2,326	NA	NA	NA	NA	NA	11.9x	10.1x	0.7
Financial Engines, Inc.	\$2,861	\$2,622	\$494	23.1%	5.1x	4.7x	15.2x	13.8x	24.1x	21.7x	1.9
Ernstnet, Inc.	\$2,485	\$2,864	\$724	11.4%	3.5x	3.1x	18.7x	15.5x	28.8x	23.2x	2.1
Sanne Group plc	\$1,253	\$1,270	\$153	35.7%	7.0x	6.2x	19.8x	17.3x	25.2x	21.6x	NA
Bravura Solutions Limited	\$509	\$501	\$157	17.2%	3.2x	2.8x	17.9x	15.3x	26.6x	24.6x	NA
KAS BANK N.V.	\$169	NA	\$126	NA	NA	NA	NM	NM	10.2x	8.5x	NA
Median				20.2%	3.6x	3.4x	15.9x	14.5x	21.6x	19.0x	1.6
Mean				21.4%	4.1x	3.8x	15.7x	14.0x	20.0x	17.7x	1.5

Software & Solutions

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA %	EV / Sales		EV / EBITDA		P / E		PEG
					FY18	FY19	FY18	FY19	FY18	FY19	
SS&C Technologies Holdings, Inc.	\$12,357	\$14,269	\$1,690	37.5%	4.2x	3.4x	13.4x	10.2x	22.0x	16.9x	1.7
SimCorp A/S	\$3,189	\$3,192	\$444	27.1%	7.1x	6.6x	25.0x	23.1x	34.4x	31.3x	2.9
Alfa Financial Software Holdings PLC	\$694	\$653	\$119	39.1%	6.2x	5.8x	21.4x	18.4x	29.9x	25.7x	NA
IRESS Limited	\$1,524	\$1,646	\$336	23.0%	4.7x	4.4x	17.4x	15.7x	26.8x	23.6x	3.4
Fidessa group plc	\$1,966	\$1,844	\$478	18.8%	4.0x	3.9x	18.3x	16.8x	35.6x	32.6x	4.6
First Derivatives plc	\$1,583	\$1,605	\$257	13.0%	6.4x	5.7x	36.2x	32.0x	61.0x	55.8x	NA
Linedata Services S.A.	\$295	\$385	\$215	19.4%	1.9x	1.9x	7.9x	7.9x	13.3x	12.8x	NM
StatPro Group plc	\$149	\$176	\$67	9.7%	2.3x	2.2x	14.9x	13.1x	24.9x	19.5x	NA
Median				21.2%	4.5x	4.2x	17.8x	16.3x	28.3x	24.6x	3.1
Mean				23.5%	4.6x	4.2x	19.3x	17.2x	31.0x	27.3x	3.1

Brokerage

Company Name	Market Cap	LTM Total Assets	LTM Sales	LTM Return on Equity	MV / Sales		P / E		P / Book Value		PEG
					FY18	FY19	FY18	FY19	FY18	FY19	
INTL FCStone Inc.	\$976	\$6,243	\$32,258	1.4%	NM	NM	NM	NM	NA	NA	NA
Compagnie Financière Tradition SA	\$721	\$1,112	\$817	12.5%	NM	NM	NM	NM	NA	NA	NA
Casa de Bolsa Finamex S.A.B. de C.V.	\$142	\$2,527	\$448	0.3%	4.2x	2.5x	59.6x	7.6x	NA	NA	NA
Median				1.4%	4.2x	2.5x	59.6x	7.6x	NA	NA	NA
Mean				4.7%	4.2x	2.5x	59.6x	7.6x	NA	NA	NA

Source: Capital IQ

Recent Updates



Asset managers are adopting direct-to-consumer (D2C) solutions to expand their institutional client base

Traditionally, asset managers have stayed away from multichannel marketing strategies due to concerns regarding inter-channel conflicts. However, with more clients preferring to receive financial services through digital channels, asset managers in the US are aggressively adopting multi-channel financial services distribution models. Direct-to-consumer (D2C) solutions are at the heart of this movement.

Successful D2C implementation by large asset managers, like Vanguard, has inspired the larger asset management landscape to embrace D2C in lockstep. These digital models have allowed asset managers and wealth advisors to increase their reach and acquire institutional investors quicker and at a lower cost. The UK and some other European markets have a

slight head start over the US in rolling out D2C solutions. In May 2017, Vanguard disrupted the British asset management market by launching its direct-to-consumer online platform exclusively for UK investors. The platform was flooded with inflows and attracted the attention of fund managers around the world.

With D2C becoming popular in several other markets now, companies are acquiring or partnering with businesses that provide D2C capabilities. For example, in June 2017, InvestCloud acquired rplan for \$20 million to strengthen its existing digital client engagement capabilities, tailored for an institutional asset management audience, and become a world leader in the D2C market.



Robo-advisors are scaling up their technology to retain High Net Worth (HNW) clientele

Robo-advisors have taken financial advice to the masses by making it affordable and instant. They have received a particularly warm reception from younger consumers who are happy to have an algorithm manage their portfolios.

Thanks to this democratization, the assets handled by robo-advisors are expected to exceed \$4 trillion by 2022. As asset managers expand into this mass market, they are also making grandstand enhancements to their technology to scale it to the needs of the traditional HNW market. HNW clients have complex investment needs due to their increased risk tolerance and much larger portfolios compared to retail clients.

The technologies that underlie current robo-advice models need significant adjustments to scale up to the needs of the HNW market successfully.

As the robo-advisory space evolves, we are witnessing the arrival of the second generation of robo-advisors who are working on tools for this class of traditional top-tier clients. In addition to helping advisors provide higher standards of service to the more-demanding traditional market, they are also helping them develop new products for this rapidly-evolving market segment.



Analytics and IoT could be gamechangers for financial content providers

Internet-of-Things (IoT) represents a significant opportunity for the digital transformation of financial services. Investment banks, retail banks, and asset managers can capitalize on the transaction data held across multiple industries. Large information providers like S&P Global are recognizing the strong potential of IoT in financial services and are making major investments.

In capital markets, real-time information flow provided by IoT can benefit high-frequency trading and micro-investing,

therein minimizing risk factors related to investments.

There is an untapped potential of IoT as it can generate value from the information gathered. IoT in financial services represents a significant opportunity to figure out how data from tangible assets can inform decision making over electronic flows of capital. Financial institutions are making substantial investments in the expertise, platforms, and data integration to derive value from all data available and monetize it.



Key Initiatives by Securities Companies

Fidelity introduces its Virtual Reality (VR) financial agent “Cora”

Fidelity introduced “Cora,” a financial agent that can interact with a client’s vocal commands, on May 21, 2018. “Cora” greets users in a VR environment and pulls up charts and dashboards based on spoken cues. This interaction helps advisors understand their clients better. Besides deepening client interactions, Fidelity also intends to use VR technology for financial education and employee training. The project is a collaboration between Fidelity and Amazon, which provided the VR environment and vocal command technology via Alexa and Polly. Fidelity will also create a virtual space where clients and advisors can interact in a virtual meeting room, as VR technology has become more widespread and cost-effective. This move is an attempt by Fidelity to add the human touch to its robo-advisory solution.

Coinbase introduces four cryptotrading tools to attract established players to its platform

Coinbase announced the launch of four tools—all centered on attracting financial institutions to its platform, on May 16, 2018. The new tools include Coinbase Custody, a custodian partnership similar to the custodian offerings typically provided by banks to secure customers' cash, and Coinbase Prime, a platform centered on research and market data geared toward institutional clients. Coinbase intends to attract more significant and established investors in the digital asset space through these tools. Coinbase has already incorporated some large and established clients such as Walden Capital and Boost VC.

Linedata launches a new version of its fund accounting platform

Linedata is launching a new version of its fund accounting platform, Linedata Mfact 11.3, that will streamline and automate key operational processes to deliver increased efficiency for users. The process automation enhancements have been made around settlements and income processing during weekends, holidays, and month end reporting periods.

The enhancements can easily produce transactional history and balances using over 150 inbuilt reports and inquiry screens, with underlying data readily accessible through comprehensive inbuilt extract tools. This latest upgrade supports Linedata’s strategic vision to fully automate the production and approval of the Net Asset Value (NAV), a time saving and risk-reducing development for customers.

Broadridge Financial Solutions teams up with StatPro to strengthen its reporting platform

On June 7, 2018, Broadridge Financial Solutions (Broadridge) forged a new strategic partnership with StatPro Group, a company that provides cloud-based portfolio analytics and asset pricing services for the global asset management industry. This alliance enables Broadridge to improve its Broadridge Performance Reporting platform, which offers clients tailored daily performance calculations.

StatPro's platform optimizes the analytics process by automating the upload of client portfolio data into the system, instantly activating performance calculations, and making results available to asset managers. Broadridge intends to add significant value for its clients by leveraging StatPro’s analytical tools. The transition to StatPro for existing Broadridge performance clients has already been initiated and is expected to be completed by the end of 2018.

Deal Activity

Highlighted M&A Transactions

Date	Target	Acquirer	Sector	Implied EV (\$mm)
05/23/2018	 MackayWilliams	 Broadridge	Outsourced Financial Solutions	NA
05/23/2018	 RIA in a Box	 AQUILINE	Investment Management	NA
05/21/2018	 IPREO	 IHS Markit	Software & Solutions	\$1,855
05/09/2018	 FundAssist	 Broadridge	Software & Solutions	NA

Highlighted Financing Transactions

Date	Company	Key Investor	Type	Amount (\$mm)
05/31/2018	 PAXOS	 FRE  LIBERTY CITY	Series B	\$65
05/28/2018	 moneyfarm	 Allianz	Growth	\$54

- Transaction volumes have been strong in the securities industry in the last three months, especially in the investment management and alternative trading sectors.
- Alternative trading platforms have carried out major M&A and financing deals to expand their scope and upgrade technology.
- Also, many traditional players have acquired or invested in fintech players.
- In terms of M&A and financing deals, many fintech players have received significant attention from PE firms.

An increasing use of technology in investment management and cryptocurrency trading have driven transaction volumes

Transaction volumes have been strong in the securities industry in the last three months, especially in the investment management and alternative trading sectors.

Traditional players such as Blackrock and Edelman Financial Services have acquired or invested in fintech players to enhance their investment management technology capabilities. These transactions also allowed the traditional players to expand their services to a variety of customers. For example, Blackrock invested \$50 million in micro-investing app Acorns on May 9, 2018, to adopt a different approach to attract customers. Acorns' app allows customers to invest their spare change from everyday purchases into assets automatically.

In terms of M&A and financing deals, many fintech players have also received significant attention from PE firms such as Hellman & Friedman and SBI Holdings.

Another major driver for overall strong transaction volumes is the growing popularity of cryptocurrency trading. Many alternative trading platforms such as CoinList and Coinbase have acquired or invested in companies that enhance their technological capabilities and increase their scope. The increase in scope relates to the number of tradable cryptocurrencies and type of investors. For example, Coinbase acquired Paradex on May 23, 2018, to cater to a variety of investors such as hedge funds and high-frequency trading firms.

2018 has already seen some big-ticket M&A and financing deals in the Securities space. Additional significant deals could be in the works.

M&A Transaction Activity Summary

Date	Target	Acquirer(s)	Sector	Implied EV (\$mm)
06/11/2018			Software & Solutions	\$20
06/07/2018 Transaction Profiled	 MackayWilliams		Outsourced Financial Solutions	NA
06/06/2018			Investment Management	NA
06/05/2018			Software & Solutions	\$6
05/30/2018	 RobustWealth		Software & Solutions	NA
05/23/2018 Transaction Profiled	 RIA in a Box Services & Technology		Investment Management	NA
05/23/2018			Alternative Trading Systems & Market Makers	NA
05/21/2018 Transaction Profiled			Software & Solutions	\$1,855
05/09/2018 Transaction Profiled			Software & Solutions	NA

Source: Capital IQ, Pitchbook and Media Reports

M&A Transaction Activity Summary

Date	Target	Acquirer(s)	Sector	Implied EV (\$mm)
05/04/2018		 	Software & Solutions	NA
04/30/2018			Investment Management	\$3,030
04/20/2018			Alternative Trading Systems & Market Makers	\$2,021
04/19/2018			Wealth Management Tech	NA
04/16/2018			Exchange	NA
04/16/2018			Software & Solutions	NA
04/11/2018			Investment Management	NA
04/09/2018	Financial Engineering Associates		Software & Solutions	NA
04/05/2018			Software & Solutions	NA

Source: Capital IQ, Pitchbook and Media Reports

Key M&A Deal Profiles

Broadridge Financial acquires MackayWilliams for an undisclosed amount

Target Company Overview MackayWilliams

MackayWilliams is an independent research boutique that works with asset managers to provide in-depth European market analysis, consultancy services and access to the views and demands of Europe's major distributors and fund selectors. The company was founded in 2010 and is based in London, UK.

Services Offered

MackayWilliams provides proprietary sentiment and brand data from over 1,000 annual fund buyer interviews via its flagship solution, Fund Buyer Focus. It also offers market research and trend analysis through subscription services that include Fund Radar and Fund Brand 50.

Acquisition Details



Broadridge Financial Solutions acquired MackayWilliams for an undisclosed amount on June 7, 2018.

Transaction Rationale

The acquisition will combine Broadridge's fund data and analytics solutions with MackayWilliams' leading insight into European mutual fund trends, brand perceptions and fund selector behavior, which will offer clients a more integrated and holistic view of retail and institutional markets across regions.

Aquiline Capital Partners acquires RIA in a Box for an undisclosed amount

Target Company Overview



RIA in a Box is a registration and compliance consulting company which provides tools for registered investment advisers (RIA) to conduct business. The company helps investment advisory firms when they are leaving their broker/dealer; starting a hedge fund; transitioning to the SEC; adding a registration to their existing insurance and tax practice; or starting out. The company was founded in 2005 and is based in New York, NY.

Solutions Offered

RIA in a Box provides compliance workflow solutions to wealth managers. The company assists with initial RIA registration, provides ongoing compliance software post-formation, and helps compliance officers at larger firms oversee more complex organizations. The company also offers other operational tools and Software-as-a-Service (SaaS)-based services such as CRM and billing..

Acquisition Details



Aquiline Capital Partners acquired RIA in a Box on May 23, 2018. The terms of the deal were undisclosed. RIA in a Box has received previous PE backing from Light Beam Capital.

Transaction Rationale

The acquisition follows the market trend of private equity firms acquiring SaaS-based wealth management platforms. SaaS companies have a high degree of operating leverage and can build technology without adding to the cost.

Key M&A Deal Profiles (Cont'd)

IHS Markit acquires Ipreo Holdings for an implied EV of \$1.8 billion

Target Company Overview



Ipreo Holdings is a leading provider of financial services technology and data analytics that supports all participants in the capital-raising process, including banks, public and private companies, institutional and individual investors, as well as research, asset management, and wealth management firms. The company was founded in 2006 and is based in New York, NY.

Solutions Offered

The company provides capital market products and services that cover equity, fixed income, municipals, and loans. Its trading solutions cover CRM and investor prospecting, roadshow and event management, and capital markets analytics. The company also provides global markets intelligence, investor targeting, perception studies, corporate analytics, and IPO services.

Acquisition Details



IHS Markit acquired Ipreo Holdings from The Blackstone Group and Goldman Sachs Group on May 21, 2018, for an implied EV of \$1.8 billion. Post acquisition, Ipreo Holdings will operate as a subsidiary of IHS Markit. The transaction is subject to regulatory and closing conditions and is expected to close in the second half of 2018.

Transaction Rationale

IHS Markit intends to deliver a more comprehensive service across multiple product lines with this acquisition. A comprehensive solution will allow clients to streamline their workflow and make more efficient and better quality decisions.

Broadridge Financial Solutions acquires FundAssist for an undisclosed amount

Target Company Overview



FundAssist provides financial data management, reporting, and digital factsheets to produce, monitor, and disseminate critical regulatory and disclosure documents. The company was founded in 1985 and is based in Dublin, Ireland.

Solutions Offered

FundAssist analyzes client factsheets and manages their key information documents (UCITS KIID & PRIIPs KID) and financial disclosure statements. The company provides regular reports on its clients' data that is supported by charts and tables. These reports are also translated into multiple languages.

Acquisition Details



Broadridge Financial Solutions acquired FundAssist on May 9, 2018. Post the acquisition, the company will operate as a subsidiary of Broadridge Financial Solutions. The terms of the deal were not disclosed.

Transaction Rationale

FundAssist intends to accelerate its market reach by tapping into Broadridge Financial Solutions' scale and relationships. The acquisition enables FundAssist to help global funds increase their efficiency and transform their compliance frameworks in response to new regulations in the European markets.

Financing Transaction Activity Summary

Date	Target	Sector	Amount (\$mm)	Type	Key Investor(s)
06/20/2018	 QUANTIFEED	Software & Solutions	\$10	Series B	 LEGG MASON GLOBAL ASSET MANAGEMENT  國泰金控 Cathay Financial Holdings
06/19/2018	 SIGFIG	Investment Management	\$50	Series E	 GENERAL ATLANTIC
06/14/2018	AlphaPoint	Software & Solutions	\$15	Series A	 GALAXY DIGITAL
06/12/2018	CAPPI TECH	Outsourced Financial Solutions	\$4	Series A	83NORTH
06/11/2018	 eigen technologies	Outsourced Financial Solutions	\$17	Series A	 Goldman Sachs TEMASEK
05/31/2018 Transaction Profiled	 PAXOS	Software & Solutions	\$65	Series B	 RRE Ventures  LIBERTY CITY VENTURES
05/29/2018	 solovis	Investment Management	\$8	Venture	Undisclosed
05/28/2018 Transaction Profiled	 moneyfarm	Wealth Management Tech	\$54	Growth	 Allianz
05/16/2018	bcause	Alternative Trading Platform & Market Makers	\$25	Series B	Undisclosed
05/10/2018	 beacon ACCELERATE TECHNOLOGY	Software & Solutions	NA	NA	PIMCO
05/09/2018	 acorns	Investment Management	\$50	Growth	BLACKROCK®
05/03/2018	 TradingView	Financial Content Providers	\$37	Series B	 INSIGHT VENTURE PARTNERS

Source: Capital IQ, Pitchbook and Media Reports

Financing Transaction Activity Summary

Date	Target	Sector	Amount (\$mm)	Type	Key Investor(s)
05/01/2018	 numbrs	Investment Management	\$27	Growth	Undisclosed
05/01/2018	Tagomi Systems	Alternative Trading Platform & Market Makers	\$16	Venture	 FOUNDERS FUND
04/25/2018	 CHALICE	Wealth Management Tech	\$5	Series A	 UINTA INVESTMENT PARTNERS
04/24/2018	 TEMPLUM	Alternative Trading Systems & Market Makers	\$10	Series A	Raptor
04/18/2018	 SQUAREFOOT	Online Brokers	\$7	Series A	 SBI Holdings
04/11/2018	 TRADEWIND	Alternative Trading Systems & Market Makers	\$11	Venture	ROSECLIFF and others
04/11/2018	Say	Outsourced Financial Solutions	\$8	Seed	 AGNICO EAGLE
04/10/2018	CloudMargin 	Software & Solutions	\$10	Venture	 POINT72 VENTURES
04/06/2018	Rare Bits	Exchanges	\$6	Series A	JPMORGAN CHASE & CO.
04/05/2018	COINLIST	Investment Management	\$9	Series A	 [XTX] MARKETS
04/03/2018	 DriveWealth	Investment Management	\$21	Series B	 DIGITAL CURRENCY GROUP
04/05/2018	 CHAINALYSIS	Exchanges	\$16	Series A	 SBI Holdings

Source: Capital IQ, Pitchbook and Media Reports

Key Financing Deal Profiles

Paxos receives \$65 million in a financing round led by RRE Ventures and Liberty City Ventures

Target Company Overview



Paxos provides blockchain-based settlement solutions for the financial services industry. The company also offers a cloud-based Platform-as-a-Service (PaaS) solution that streamlines post-trade market infrastructures and back office processes. Paxos was incorporated in 2009 and is based in New York, NY.

Solution features

Paxos's blockchain solution settles trades instantaneously with fewer counterparties. The solution eliminates operating costs for the post-trade process.

Financing Details



Paxos raised \$65 million in a Series B round led by RRE Ventures and Liberty City Ventures on May 31, 2018. The transaction included participation from other existing investors. The company has raised \$93 million in funding to date.

Use of Funds

Paxos intends to use the proceeds to expand its operations, which include providing blockchain-based services to financial institutions, as well as operating a cryptocurrency exchange and custodian itBit. The company also intends to expand across geographies.

Moneyfarm receives \$54 million in a financing round led by Allianz

Target Company Overview



Moneyfarm provides online financial advisory and execution services. The company's platform allows users to create portfolios, discover investor profiles, build and manage a portfolio of index funds, obtain investment portfolios, execute trades with brokers, track investments, and provide advice. The company was founded in 2011 and is based in Milan, Italy.

Service features

Moneyfarm uses technology to directly match investors with a suitable portfolio through a simple questionnaire. The company combines technology with investment wisdom and offers its service at a low cost.

Financing Details



Moneyfarm raised \$54 million in a growth funding round led by Allianz on May 28, 2018. The transaction included participation from existing investors such as United Ventures, Cabot Square Capital, Endeavor Catalyst, and Fondazione di Sardegna. Moneyfarm has raised \$71 million to date.

Use of Funds

Moneyfarm intends to use the funding to incorporate goal-based savings and smart budgeting, adding more data points that can cater to individuals' needs. The financing allows Allianz to enhance its investment management solution by leveraging Moneyfarm's digital solutions.

IPO Activity Summary

Company	IPO Date	Amount Raised (\$mm)	IPO Price	Current Market Price	Total Return
 AGM Group Holdings Inc.	04/13/2018	\$7	\$5.00	\$23.68	374%
 IntegraFin	02/27/2018	\$247	\$2.72	\$4.72	74%
 netwealth	11/20/2017	\$200	\$4.02	\$6.03	50%
 Alfa [▲]	05/26/2017	\$324	\$5.49	\$2.30	(58%)
 Yintech 铜 科 控 股	04/26/2016	\$111	\$13.50	\$8.37	(38%)
 CMIC cmc.markets	01/13/2016	\$315	\$3.47	\$2.62	(24%)
 VIRTU FINANCIAL	04/16/2015	\$314	\$19.00	\$26.55	40%
 EURONEXT	06/06/2014	\$1,151	\$27.24	\$54.45	100%
 LPL Financial	11/18/2010	\$470	\$30.00	\$65.54	118%
 INVESTNET	07/29/2010	\$100	\$9.00	\$54.95	511%
 CBOE CHICAGO BOARD OPTIONS EXCHANGE	06/15/2010	\$339	\$29.00	\$104.07	259%
 SS&C	03/31/2010	\$161	\$7.50	\$51.90	592%

Source: Capital IQ and Pitchbook, Market data as of June 29, 2018

Evolve Capital Partners; Deals & Market Roundup – Securities 23



Select Wall Street Research Updates and Commentary

Update from Cantor Fitzgerald, May 2018



S&P Global

S&P Global is **making a strong push to make its technology the key differentiator, which is evident by the recent acquisition of Kensho Technologies**, a next-generation analytics provider. Natural Language Processing (NLP) and Search is one of Kensho's key competencies and S&P believes this can help separate the company from competitors. S&P Global believes Kensho can help the company make much bigger leaps in technology than it could on its own. S&P sees technology and data as sitting at the core of what the company does. SPGI wants to use emerging technologies to power the business and help clients. The company expects IoT data to become a huge factor in the Financial Services space.

Update from Jefferies, June 2018



BLACKROCK

Blackrock's focus will be around growth and the sustainability of it as well as the increased utilization of technology across all of BLK's products and distribution channels. While we don't anticipate much change in the company's long-term stated goals, we do expect capital return priorities will be addressed and certain growth targets revised (base mgmt fees vs organic growth).

Update from Deutsche Bank Market Research, May 2018



Goldman Sachs

All business segments performed well and GS showed robust revenue (and earnings) leverage to a moderate pickup in activity in 1Q and cost management remained solid. The reductions in buybacks seems to reflect an opportunity to grow the balance sheet and related revenues which we would argue to more valuable than reducing shares.

Update from Societe Generale, April 2018



CREDIT SUISSE

A solid 1Q for CS reinforces the Positive VIBES we get on the name (and our Positive credit opinion). **Improving returns, stable capital and further run-down of legacy assets should drive continued (positive) reassessment of CS in 2018** by investors and rating agencies alike.

We believe management is on track with its restructuring plan. Our forecasts over the coming years are largely in line with management's guidance. While we do not believe the markets businesses will meet ROE targets of 10-15%, this should be offset by WM operations punching slightly above management expectations and pre-tax losses from the non-core SRU division running lower than management guidance due to accelerated deleveraging.

Update from UBS, April 2018



MOODY'S

MCO generates revenue from most global debt issuance. Over the long term, we expect MCO to grow revenue in the mid-to-high single digits through growth in issuance, pricing, and disintermediation. **The debt issuance environment continues to be relatively favorable, though increasing rates, volatility, and uncertainty could dampen growth.** On the other hand, the increasing proportion of recurring revenues stemming from new ratings mandates, most notably in Asia and Europe, should also bolster growth.

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:OPX, PLPM

2 Bank Technology Solutions:

FIS, FISV, JKHY, SWX:TEMN, BSE:532466, TSE:6457, QTWO, SGX:5CP, EPAY, OTCPK: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, ASPS, 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, GBLI, 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, AYW, 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, 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



DISCLAIMER

The principals of Evolve Capital Partners are registered representatives of BA Securities, LLC Member FINRA SIPC, located at Four Tower Bridge, 200 Barr Harbor Drive, Suite 400 W. Conshohocken, PA 19428. Evolve Capital Partners and BA Securities, LLC are unaffiliated entities. All investment banking services are offered through BA Securities, LLC, Member FINRA SIPC. This presentation is for informational purposes only and does not constitute an offer, invitation or recommendation to buy, sell, subscribe for or issue any securities or a solicitation of any such offer or invitation and shall not form the basis of any contract with BA Securities, LLC.

The information in this presentation is based upon Evolve Capital Partners estimates and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of information available from public sources. In addition, our analyses are not and do not purport to be appraisals of the assets, stock, or business of the Company or any other entity. Neither BA Securities, LLC nor Evolve Capital Partners makes any representations as to the actual value which may be received in connection with a transaction nor the legal, tax or accounting effects of consummating a transaction. BA Securities, LLC and Evolve Capital Partners do not render legal or tax advice, and the information contained in this communication should not be regarded as such.

The information in this presentation does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects.

If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this presentation is prohibited.

KEY SENIOR PROFESSIONAL

Alexander Koles

Founder, CEO, Managing Director
akoles@evolve-capital.com

Mr. Koles has over 14 years of financial advisory experience including advising middle-market and multinational firms on merger and acquisition strategies and execution, restructurings and capital raises. Prior to founding Evolve Capital Partners, he worked at a number of leading investment banks in leadership roles focused on restructuring transactions. He started his career at Merrill Lynch as an investment banker in the corporate finance group.

CONTACT

Evolve Capital Partners
1350 Avenue of the Americas
2nd Floor
New York, NY 10019
T: (646) 688-2792
evolve-capital.com