



# Wealth Management Market Update

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SPRING 2022 Q1 UPDATE

# Wealth Management Market Summary

## Spring 2022 Industry Updates and Drivers

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Our dedicated team has an extensive level of experience in the wealth and asset management sectors, specializing in M&A for wealth managers, their assets, and manager contracts.

We have transacted or transferred more than \$145 billion in AUM since 2015.

### Select Market Drivers

#### Mergers and Acquisitions Remain Robust

- 2022 wealth management M&A activity had a strong start to the year on pace to beat 2021 activity with 69 deals year to date, a 17% increase from Q1 '21.
- Q1 '22 was the strongest first quarter in the past six years.
- Transaction count was heavily weighted toward smaller-sized platforms managing \$100 million to \$250 million of AUM (more than 35% of Q1 activity).

#### Private Equity Involvement

- Sponsor and institutional investor activity remained relatively stable, with their involvement in 14 deals in Q1 '22.
- The Mather Group, LLC, a leading wealth management firm with more than \$8 billion in AUM, received a significant strategic investment from **The Vistria Group**, its inaugural deal in the sector.<sup>(1)</sup>
- RSM Wealth Management, a recent placement among Barron's 2021 Top 100 RIA Firms with more than \$7.4 billion in AUM, has agreed to be acquired by **Parthenon Capital**.
- **Lovell Minnick Partners-backed** Pathstone will acquire certain assets of Eaton Vance WaterOak Advisors that are focused on customization and advise on \$3 billion in assets.


















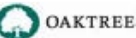

#### Public Valuations Retreated

- Public company valuations are down due to macroeconomic issues and related lower AUM.
- In contrast, private transaction multiples continue to be near highs, especially for larger keystone firms that sponsors are targeting as a base for roll-ups.

#### Overall Activity Expected to Continue, Expand Into Ancillary Services

- Recurring consolidation trends—the need for operating leverage, accretive acquisitions, and overall sponsor demand—will continue to drive transactions.
- Larger firms with scale may expand their product sets and migrate into derivative areas of core wealth management such as trust and tax services.
- Downstream platform acquisitions are expected as the supply chain vertically integrates to offer a single holistic digital offering.
- Private multiples may retreat if public valuations remain low or fall further.

# Recent Houlihan Lokey Transaction Spotlight

Transaction	Deal Date	Deal Value	Target Description	Houlihan Lokey Role
<p>Transaction Pending</p>  <p>Ascot Lloyd a portfolio company of funds managed by</p>  <p>OAKTREE</p> <p>and</p>  <p>ARES</p> <p>has agreed to be acquired by</p>  <p>NORDIC CAPITAL</p> <p>Sellside Advisor</p>	April 2022	Not Disclosed	One of the largest U.K. independent financial advice businesses, serving more than 20,000 clients through over 500 staff across 17 U.K. locations.	Sellside Advisor
 <p>VISTRIA</p> <p>has made a strategic partnership in and recapitalization of</p>  <p>TMG THE MATHER GROUP</p> <p>\$8.0 billion AUM Wealth Manager</p> <p>Financial Advisor</p>	March 2022	Not Disclosed	Fee-only fiduciary firm serving primarily high-net-worth individuals, with approximately \$8.0 billion in AUM, ranked in the Top 100 RIA Firms in the country for the past four years.	Financial Advisor
<p>Transaction Pending</p>  <p>CARDALE <small>Asset Management</small> investment management - stockbroking - financial planning</p> <p>has agreed to be acquired by</p>  <p>TITAN Wealth</p> <p>Sellside Advisor</p>	February 2022	Not Disclosed	Independent investment management business, providing portfolio management, stockbroking, and financial planning services to private clients.	Sellside Advisor
 <p>stadion</p> <p>a portfolio company of</p>  <p>TA ASSOCIATES</p> <p>has been acquired by</p>  <p>Smart</p> <p>Sellside Advisor</p>	January 2022	Not Disclosed	Leading managed account defined contribution (DC) technology platform utilizing its proprietary technology to service over \$2.3 billion in AUM and more than 4,000 plans.	Sellside Advisor
<p>Transaction Pending</p>  <p>Tiedemann</p> <p>to merge with</p>  <p>Alvarium Investments</p> <p>Merger of equals to list on Nasdaq via business combination through a special purpose acquisition vehicle</p> <p>Deal Accounting and Valuation Advisory Services</p>	September 2021	\$1.4 Billion	Investment advisor for high-net-worth families, trusts, foundations, and endowments. Privately owned investment firm, global multifamily office, and merchant banking boutique.	Deal Accounting, Financial Reporting, and Valuation Advisory Services
 <p>WREN STERLING</p> <p>a portfolio company of</p>  <p>Palatine</p> <p>has been acquired by</p>  <p>HIGH-TYAX CAPITAL</p> <p>Sellside Advisor</p>	July 2021	Not Disclosed	Financial planning firm offering services (such as financial, investment, and pensions advice) to both businesses and individuals.	Sellside Advisor
 <p>Ascot Lloyd</p> <p>a portfolio company of</p>  <p>OAKTREE</p> <p>has received financing from funds managed by</p>  <p>ARES</p> <p>Capital Raising</p>	February 2021	Not Disclosed	Leading IFA business serving more than 21,000 clients through a network of 135 independent financial advisors.	Exclusive Placement Agent

# The Vistria Group to Acquire The Mather Group

## Houlihan Lokey Case Study

The Vistria Group (Vistria) has made a strategic partnership in and recapitalization of The Mather Group (TMG).

Houlihan Lokey served as the financial advisor to Vistria and assisted in negotiating the transaction

### Transaction Overview

- Majority stake transaction.
- Vistria will commit significant capital to support TMG's continued growth, both organically and through additional acquisitions.
- The announcement represents Vistria's first partnership in the wealth management space and fosters a dynamic new venture between two Chicago-based firms.
- As part of the investment, Vistria is backing TMG's CEO Chris Behrens and its current leadership team to continue its expansion into new geographies and services.

“  
*We are thrilled to establish a partnership with Chris and The Mather Group team. Their reputation in the industry and among clients is unparalleled, and we know there is great opportunity to continue the company's growth trajectory.*  
—Michael Castleforte, Partner and Co-Head of Financial Services at Vistria

”

Sources: Public filings, transaction press release.

### TMG

#### TMG Rationale

- Supports vision of being a national boutique while enhancing the client experience.
- Cultural fit, shares same investment philosophy, commitment to integrity and high-touch service.
- Provides a capital structure to grow both organically and through M&A.
- Ability to leverage broader network of operating partners and relationships with leading financial services companies.

### Vistria

#### Vistria Rationale

- TMG's commitment to diversity, impact, and ESG aligns well with Vistria's mission and values.
- Ability to leverage its Portfolio Resources Group, M&A experience, and resources to scale TMG's business.
- Positions TMG for transformative growth and maximizes total returns to all stakeholders.

- TMG is a fee-only fiduciary firm serving primarily high-net-worth individuals, with approx. \$8.0 billion in AUM as of March 31, 2022.
- Founded in 2011 and headquartered in Chicago, with offices throughout the U.S., TMG is a registered investment advisor, providing discretionary and nondiscretionary advice.
- Since January 2020, TMG has completed 10 acquisitions and currently has more than 140 advisors and staff around the country.
- TMG scaled its AUM from \$1 billion to \$8 billion during the past five years, ranking among Barron's list of Top 100 RIA Firms in the country for the past four years.
- Vistria is a Chicago-based private investment firm, partnering with middle-market businesses in the healthcare, education, and financial services industries.
- Team comprises highly experienced operating partners and investment professionals.
- Operates at the intersection of purpose and profit with companies that are passionate about growth and commitment to the community.
- Vistria is using its fourth fund, which raised \$2.7 billion in 2021, to invest in TMG.

# Nordic Capital to Acquire Ascot Lloyd

## Houlihan Lokey Case Study

Nordic Capital (Nordic) has agreed to acquire Ascot Lloyd from Oaktree Capital Management LP (Oaktree) and Ares Management Corp. (Ares).

Houlihan Lokey served as the exclusive financial advisor to Ascot Lloyd and Oaktree, having worked with the business since 2016

### Transaction Overview

- 100% control transaction.
- Nordic will look to support Ascot Lloyd organically by developing the current client offering and inorganically through continued M&A.
- Recognizing the scale delivered to date by Ascot Lloyd's industry-leading management team, Nordic plans to support and accelerate leadership's current business and growth plans with continued investments in people and technology.

“  
*Our acquisition is a testament to the strength of Ascot Lloyd today and the significant opportunities ahead. Fundamentally, this is underpinned by the quality of our people and their commitment to offering the best possible service and advice to our clients.*  
—Nigel Stockton, CEO of Ascot Lloyd  
”

### Ascot Lloyd

#### Ascot Lloyd Rationale

- Substantial new capital to accelerate growth.
- Leverage Nordic's M&A experience to further accelerate acquisition strategy.
  - Ascot Lloyd has completed 60 acquisitions since 2013.
- Shared culture and values, acknowledging the high-quality management team and client-centric operations.

### Nordic

#### Nordic Rationale

- Ability to leverage its financial services expertise.
  - Develop Ascot Lloyd's client offering and management presentation.
- Focus on further developing Ascot Lloyd's digital proposition.
  - Accelerating organic and inorganic growth and further increasing its focus on sustainable savings.

- Established in 2004, Ascot Lloyd is a one of the largest U.K. independent financial advice businesses, serving over 20,000 clients through more than 500 staff across 17 U.K. locations.
- Grown substantially through consolidation; the business is now approaching £10 billion of assets under influence.
- The business offers financial planning, investment advice, retirement planning, and ancillary financial advice products.
- Operates an in-house discretionary fund management and model portfolio service, Avellemy, which has grown to more than £2.5 billion AUM since inception.

- Nordic is a leading private equity investor with a commitment to creating stronger, sustainable businesses through operational improvement and transformative growth.
- Since inception in 1989, Nordic has invested more than £19 billion in over 120 investment.
- Primary focus sectors include healthcare, technology and payments, financial services, and selectively, industrial and business services.
- Key regions for healthcare and technology and payments are Europe and others across the globe.

# Titan Wealth Holdings to Acquire Cardale Asset Management Ltd.

## Houlihan Lokey Case Study

On February 22, 2022, Titan Wealth Holdings (Titan) announced the signing of a definitive agreement to acquire Cardale Asset Management Ltd. (Cardale), an independent investment management business.

### Houlihan Lokey served as the financial advisor to Cardale

#### Transaction Overview

- Cardale has entered into a definitive agreement to be acquired by Titan.
- Cardale will operate under the Titan Wealth Holding Group and retain its existing model, leadership, and brand.
- The acquisition is expected to close in March/April 2022, subject to regulatory approval, after which Titan will have AUM of £5.2 billion.

#### Strategic Rationale

The transaction brings together two well-regarded financial institutions poised to benefit from the respective strengths of each partner.

- Forms a key part of Titan's central investment proposition and enhances its distribution capabilities.
- Provides significant presence in the north of England, making it an excellent strategic, geographic, and cultural fit for both parties.
- More integrated and flexible services to investment managers, IFAs, and clients.
- Anticipated to double Titan's revenues, supporting its continued growth target of £20 billion to £30 billion in AUM within four years of launch.



- Cardale is an independent investment management business, providing portfolio management, stockbroking, and financial planning services to private clients.
- Since its launch in 2003, Cardale has seen impressive and sustained growth, reaching £1.5 billion in AUM.
- It manages approximately 3,500 clients, employing approximately 70 financial and investment professionals under the leadership of a highly experienced board.



- Titan Wealth Holdings is an active acquirer of asset managers in the U.K. and provides a broad range of services to investment managers and IFAs.
- Primary services include integrated investment platform services; central investment propositions for IFAs; and trade, custody, and settlement, and discretionary fund management.
- Titan currently holds Titan Asset Management, GPP, and the most recently acquired Cardale.

# Smart USA to Acquire Stadion Money Management

## Houlihan Lokey Case Study

On January 6, 2022, TA Associates announced the signing of a definitive agreement to sell Stadion Money Management (Stadion), a technology-enabled managed account provider, to Smart USA Co. (Smart).

Houlihan Lokey served as the exclusive financial advisor to Stadion

### Smart—Overview



- Founded in 2014, Smart is a global technology business that delivers people-focused retirement solutions.
  - Offers a broad range of retirement products ranging from self-service retirement income solutions to customized platform options for employers, advisors, and participants.
- As of December 31, 2021, Smart had more than \$2.3 billion in assets on its platform, serving more than 70,000 participants.

### Stadion—Overview



- Stadion is a leading managed account DC technology platform utilizing its proprietary technology.
  - Integrates with recordkeepers to offer low-cost personalized retirement solutions on a mass scale within the U.S. retirement plan market.
  - Offers both its signature StoryLine managed account solution and tech-only services.
- The company was founded in 1993 and headquartered in Athens, Georgia.

*There is an incredible opportunity to deliver scalable and personalized retirement solutions to even more Americans. The combined team of Smart and Stadion will be extremely well positioned to serve the evolving needs of recordkeepers, asset managers, advisors, plan sponsors, and ultimately their participants.*

—Jud Doherty, CEO of Stadion

### Deal Summary and Strategic Rationale

#### Deal Summary

- Smart signed a definitive agreement with TA Associates to acquire 100% of the equity of Stadion.
- Stadion's employees will be joining Smart's U.S. retirement operations.

#### Transaction Rationale

- Creates continued momentum for Smart's U.S. growth initiative, having recently launched U.S. operations.
- Integrates recordkeeping, managed accounts, and other administrative services focused on pooled plan structures and retirement income solutions.
- Brings Smart Retire products to Stadion's existing StoryLine accumulation offering to give participants a decumulation solution, supporting the income needs of the participant post retirement.
- Smart will add more than \$2.3 billion in AUM and gain access to Stadion's 4,000 retirement plans.

# Wealth Management Transactions

Extensive Global Wealth Management Experience

## Select Wealth Management Related Engagements


Transaction Pending



a portfolio company of funds managed by



and



has agreed to be acquired by



Sellside Advisor



has made a strategic partnership in and recapitalization of



**\$8.0 billion AUM Wealth Manager**

Financial Advisor

Transaction Pending



has agreed to be acquired by



Sellside Advisor


Transaction Pending

**Tiedemann**  
to merge with


**Alvarium Investments**

Merger of equals to list on Nasdaq via business combination through a special purpose acquisition vehicle


Deal Accounting and Valuation Advisory Services




a portfolio company of




has been acquired by




Sellside Advisor



a portfolio company of



has been acquired by



Sellside Advisor



a portfolio company of



has received financing from funds managed by



Capital Raising




has received a partnership investment from

funds managed by





Sellside Advisor




has been acquired by

**Morgan Stanley**

Fairness Opinion



has been acquired by



Sellside Advisor



has been acquired by



a portfolio company of



Sellside Advisor




a portfolio company of




has acquired



Financial and Tax Due Diligence



has acquired through scheme of arrangement




£206,000,000

Buyside Advisor


Funds managed by

**HELLMAN & FRIEDMAN**

have entered into an agreement to combine



and



Financial Advisory Services




a portfolio company of



has acquired



Financial and Tax Due Diligence



a portfolio company of




has merged with




a portfolio company of




Sellside Advisor\*




a wholly owned subsidiary of




has been acquired by




Sellside Advisor\*



has been acquired by



has been acquired by



Sellside Advisor\*

Tombstones included herein represent transactions closed from 2018 forward.

\*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.



# **Market Activity and Characteristics**

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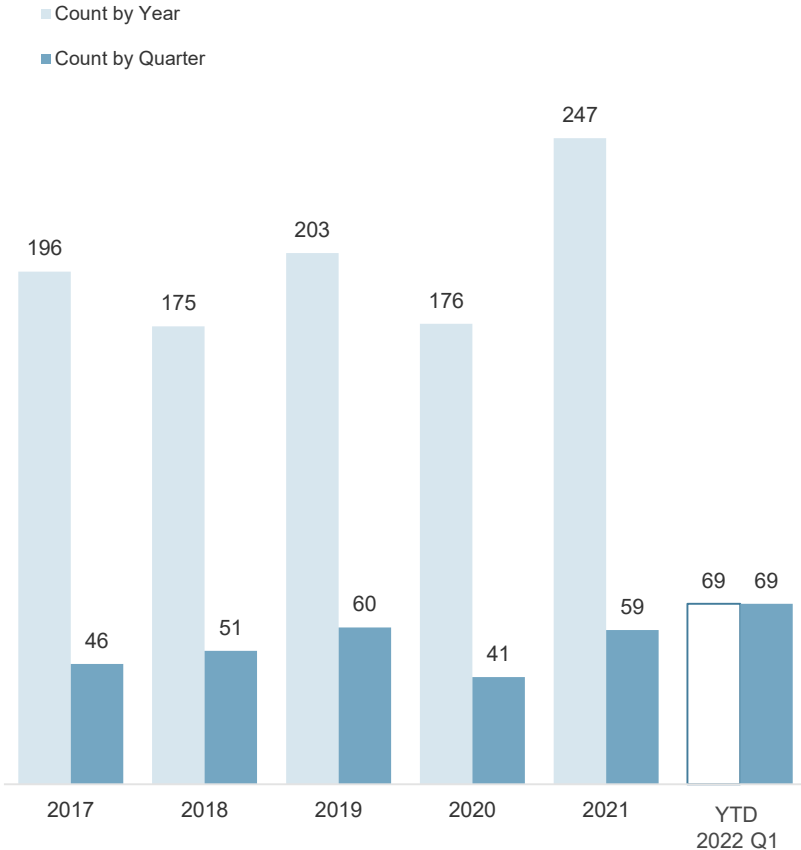
# Robust M&A Market

## Transaction Activity Continues to Increase QoQ and YoY

M&A activity remained robust throughout the quarter and year as a whole, with 11 more deals in Q1 '22 than Q1 '21 and 29 more deals in 2022 than 2021 on an annualized basis—a 17% and 12% increase, respectively.

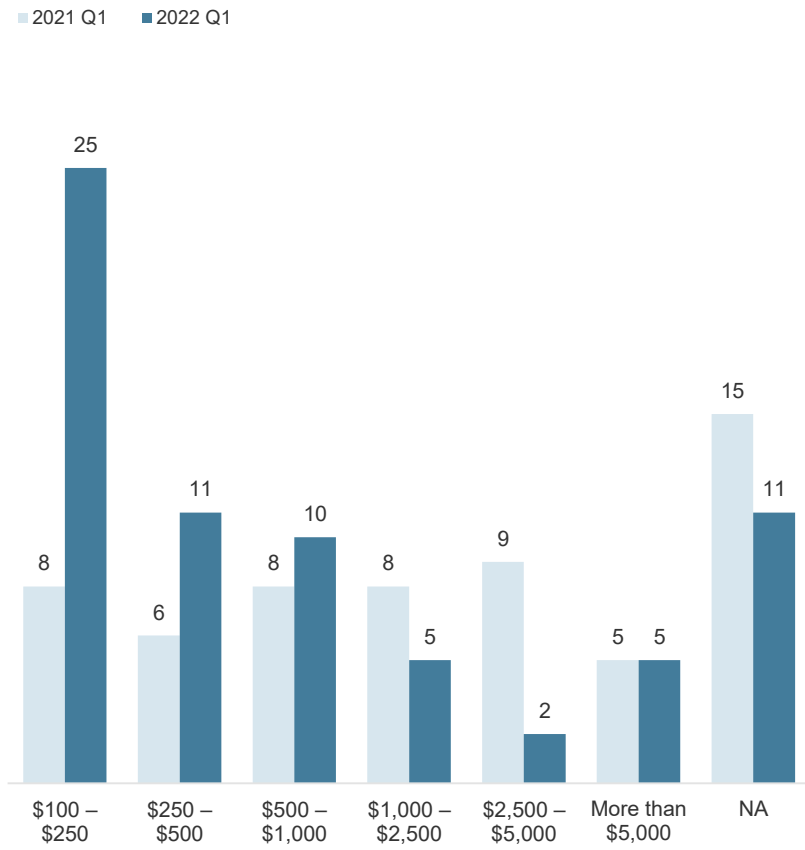
### Established M&A Activity<sup>(1)</sup>

Number of transactions executed per year



### M&A Activity by Seller Size

Number of transactions by seller size, \$ in millions



Source: SNL Financial.  
 (1) Includes transactions that have entered into a definitive agreement.

# Private Equity Continues to Be Active

## Acquirers and Select Transactions

Sponsors continue to increase their interests in the independent advisory sector, executing larger deals focused on consolidation.

### Drivers of Private Equity Activity

<b>Large Initial Investment</b>	<ul style="list-style-type: none"> <li>▪ Larger platforms, usually an initial purchase for a sponsor as they enter the sector; typically established operations and an ability to scale easily.</li> </ul>
<b>Bolt-On Acquisitions</b>	<ul style="list-style-type: none"> <li>▪ Acquisitions by sponsor-owned entity that is looking to add additional assets and employees; typically rolls up under the marquis platform.</li> </ul>
<b>Product Expansion</b>	<ul style="list-style-type: none"> <li>▪ Acquisition of tangential products or strategies (i.e., tax, trust, financing, etc.) to offer clients in core business; may be acquired by platform or by the same sponsor under separate ownership and management.</li> </ul>
<b>Exits</b>	<ul style="list-style-type: none"> <li>▪ Sale of platforms by founders or sponsors.</li> <li>▪ Can be through a sale or IPO; may retain a minority or legacy interest post closing.</li> </ul>
<b>Drivers of Value</b>	<ul style="list-style-type: none"> <li>▪ Organic growth, accretive acquisitions, expenses savings, operating leverage, product/service build-out, multiple expansion.</li> </ul>



2011 and Prior

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

Sources: Public filings, S&P Capital IQ, company news releases.

# Drivers of Transaction Activity

## Evolving Wealth Management Landscape

### Industry Trends and Market Drivers

- With more than 7,500 retail-focused advisors in the U.S., significant consolidation opportunities exist for all types of firms.
  - New investors provide not only business expertise and scale but also networks for sourcing M&A opportunities.
  - Strategic buyers are becoming more involved in transactions, representing nearly half of publicized deals from about one-third of deals a decade ago.
- Shift to independence has attracted the interest of (and demand for) private capital.
  - Family offices, sovereign funds, insurance companies, pension funds, private investors, and private equity firms are directly and indirectly investing in independent advisory firms.
    - With median profit margins of 20%–25%, cheap borrowing costs, and low capital requirements, private investors are attracted to the potential of doubling their money within three to five years.

### Wealth Management Landscape

























Private Banking and Brokerage	  
Wirehouse	   
Regional	    
IBDs	    
RIAs and Service	  

Sources: SNL Financial, Mergermarket.com, company filings, industry news reports.

Note: Houlihan Lokey served as financial advisor in blue shaded transactions.

### Select Advisor Transactions

\$ in millions

Month	Target	Acquirer	AUM/AUA
Apr.			\$10,000
Mar.			8,000
Mar.			7,159
Mar.			3,833
Feb.			2,805
Feb.			1,500
Feb.			5,000
Feb.			700
Jan.			27,000
Jan.			6,127
Jan.			2,353
Jan.			7,454

# RIA Acquisition Market Overview

Consolidation continues, with over 30 firms making more than one acquisition since March 2020 and the 25 largest acquirers transacting in over \$500 billion of AUM during that time.

## Top 25 Acquirers by Deal Volume (Last 2 Years)

By number of deals, \$ millions

Buyer Name	No. of Firms	% of Total Deals	Total AUM Added	Average Target AUM
Focus Financial Partners/ARS Wealth Advisors	45	11.5%	\$68,807	\$1,529
Mercer Advisors	25	6.4%	13,113	525
CI Financial	24	6.1%	91,574	3,816
Wealth Enhancement Group	23	5.9%	29,387	1,278
Hightower Advisors	22	5.6%	33,638	1,529
Beacon Pointe Advisors	18	4.6%	9,211	512
Creative Planning	16	4.1%	16,567	1,035
Mariner Wealth Advisors	15	3.8%	15,871	1,058
MAI Capital Management	13	3.3%	4,941	380
CAPTRUST Financial Advisors	12	3.1%	25,451	2,121
Allworth Financial	11	2.8%	4,055	369
Dynasty Financial Partners/Sweet Financial Partners	11	2.8%	8,355	760
EP Wealth Advisors	9	2.3%	3,481	387
Cerity Partners	7	1.8%	10,818	1,545
The Mather Group (TMG)	7	1.8%	1,215	174
Kestra Financial/Bluespring Wealth Partners	4	1.0%	2,501	625
Merit Financial Advisors	4	1.0%	1,229	307
OneDigital Health & Benefits	4	1.0%	936	234
Pathstone	4	1.0%	10,363	2,591
Bluespring Wealth Partners	3	0.8%	2,060	687
Cresset Asset Management	3	0.8%	7,500	2,500
Hub International Investment Services	3	0.8%	5,678	1,893
LPL Financial	3	0.8%	66,500	22,167
Savant Wealth Management	3	0.8%	2,371	790
Wealthspire Advisors	3	0.8%	5,200	1,733
<b>Top 25 Total</b>	<b>292</b>	<b>74.3%</b>	<b>\$440,822</b>	<b>\$1,510</b>
Other	101	25.7%	293,651	2,907
<b>Total</b>	<b>393</b>	<b>100.0%</b>	<b>\$734,473</b>	<b>\$1,869</b>

## Top 25 Acquirers by Cumulative AUM (Last 2 Years)

By cumulative acquired AUM, \$ millions

Buyer Name	No. of Firms	Total AUM Added	% of Total AUM
CI Financial	24	\$91,574	12.5%
Focus Financial Partners/ARS Wealth Advisors	46	69,222	9.4%
LPL Financial	3	66,500	9.1%
Cetera Financial Group	2	40,490	5.5%
Hightower Advisors	22	33,638	4.6%
CAPTRUST Financial Advisors	14	31,605	4.3%
Wealth Enhancement Group	24	30,772	4.2%
B. Riley Financial	1	18,900	2.6%
Alvarium Tiedemann Holdings	1	18,415	2.5%
Robert W. Baird & Co.	1	18,000	2.5%
Silicon Valley Bank	1	17,700	2.4%
Creative Planning	17	17,185	2.3%
Mariner Wealth Advisors	16	16,271	2.2%
Cerity Partners	9	14,818	2.0%
Mercer Advisors	27	13,603	1.9%
Galway Holdings	1	12,300	1.7%
Summit Financial	2	12,100	1.6%
Azimut Group	1	12,000	1.6%
Parthenon Capital Partners	1	12,000	1.6%
Stanhope Capital Group	1	11,200	1.5%
Pathstone	4	10,363	1.4%
Lightyear Capital & Ontario Teachers' Pension Plan	1	10,000	1.4%
Beacon Pointe Advisors	19	9,671	1.3%
Laird Norton Wealth Management	2	8,577	1.2%
Dynasty Financial Partners/Amplus Wealth Advisors	11	8,355	1.1%
<b>Top 25 Total</b>	<b>251</b>	<b>\$605,259</b>	<b>82.4%</b>
Less than \$8.3 Billion	142	129,214	17.6%
<b>Total</b>	<b>393</b>	<b>\$734,473</b>	<b>100.0%</b>

Source: Public filings.

Note: Represents transactions from March 31, 2020, through March 31, 2022.

# Accessing Alternatives

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# Key Activity Drivers

**Alternatives Are Growing in Importance**



- Alternatives AUM to approach \$20 trillion by 2025.
- Significant growth track record in Alternative’s share of global AUM.
  - \$5.9 trillion AUM in 2008 (15% of \$39 trillion global AUM).
  - \$14.2 trillion AUM in 2019 (16% of \$89 trillion global AUM).
  - Projected to increase to 17% share of \$103 trillion global AUM by 2024.

**Access Is Challenging and Needs to Extend to the HNW and RIA Channels**



- U.S. HNW AUM to approach \$80.0 trillion by 2025 across 3+ million households.
- 40% of financial advisors allocate to private alternative products.

**Enough Fees in Value Chain for Significant Distribution Economics**



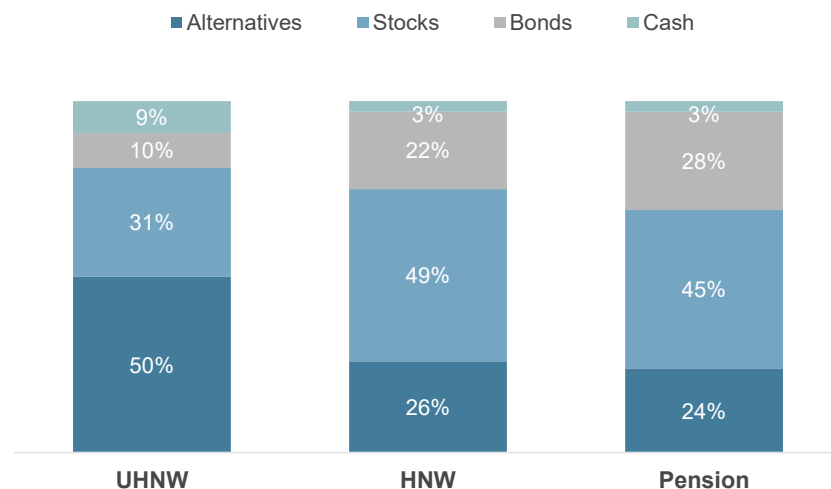
- Asset management is converging with fintech as:
  - Large product manufacturers need to reach new client segments.
  - Large distributors/advisors need streamlined solutions to better service their existing clients.
  - Complex parts of the process are becoming tech enabled (i.e., subscription docs).

# Growth in Alternatives: Private Clients

## Market Overview

- HNW investable asset growth expected to significantly increase.
  - Significant allocations to PE and hedge funds among high-net-worth and ultra-high-net-worth individuals.
- Alt. distribution platforms at the nexus of the secular trend toward alternatives and tech-enabled investment services.
- Headwinds include advisor platform adoption; entrenched investment processes preventing large-scale onboarding.
- Diverse product suite and usability are key to gathering significant assets.

## Asset Allocation Among Millionaires and UHNW

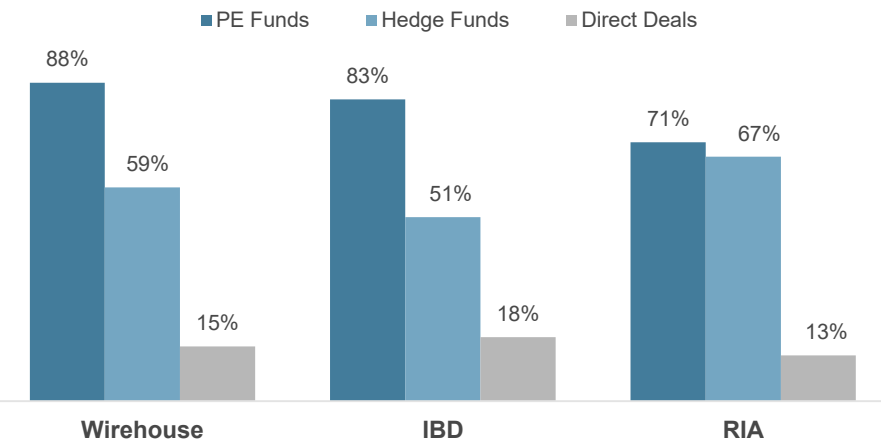


## Expected U.S. HNW Investable Asset Growth

U.S. HNW Investable Assets (\$T)

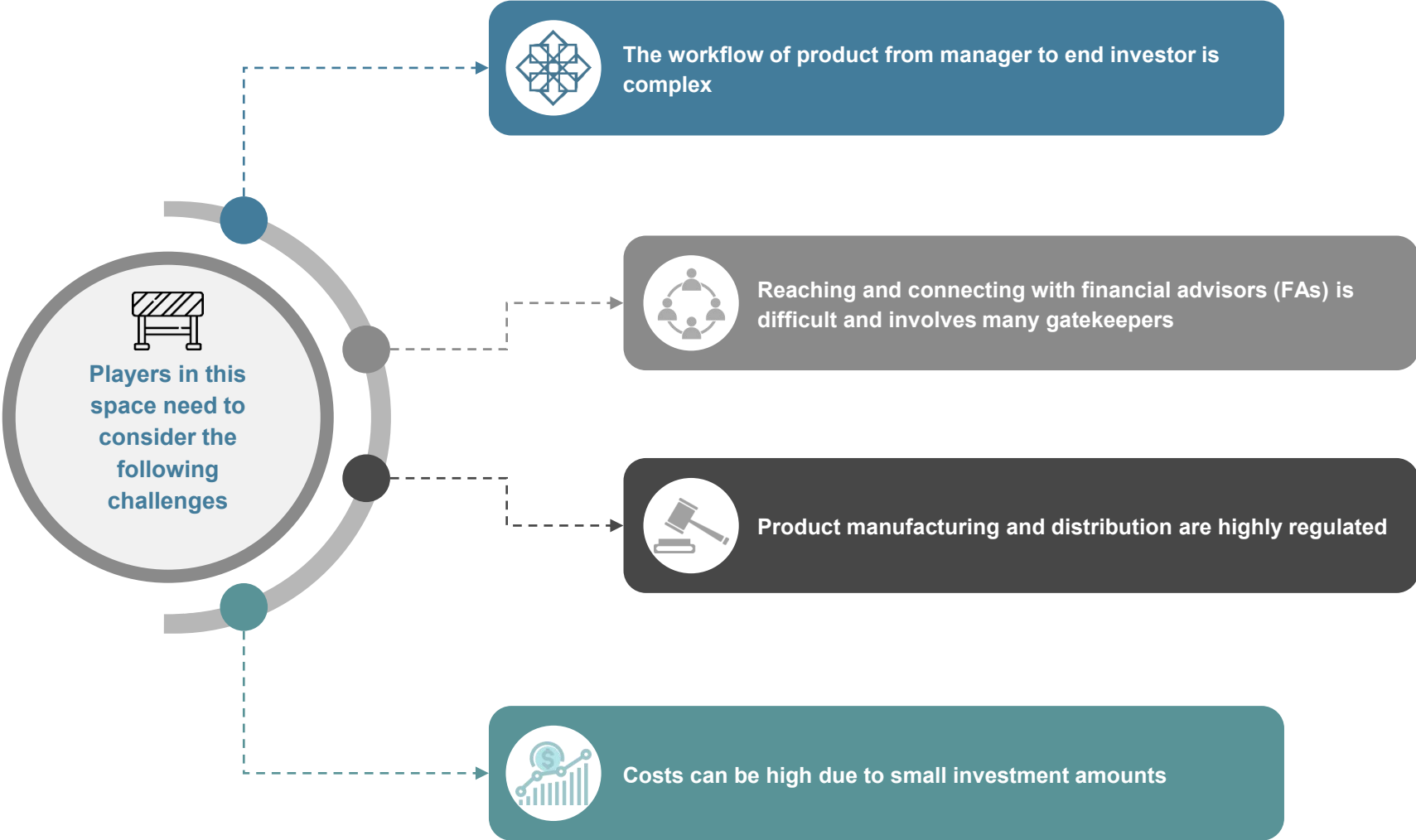


## Percent of FAs Investing in Alternatives by Channel





# Key Challenges



# Competitive Landscape—Selected Players

## Accessing Alternatives

### Fund Placement Agents



### Private Company Fund Liquidity Venues



### Equity Crowdfunding/Private Placement



### Asset Manager Distribution



“Accessing Alternatives”  
Highlighted Industry Leaders

### Real Estate/Mortgage



### Tech-Enabled HNW Fund Distribution



### Other Fund Distribution/Serviceing
















### Specialty Assets



# Selected Houlihan Lokey Transaction Spotlight





















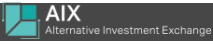




## Accessing Alternatives

Transaction	Deal Date	Deal Value	AUM	Sector	Description	Houlihan Lokey Role
 <p>MOTIVE CAPITAL CORP</p> <p>has merged with</p>  <p>Forge</p> <p>Fairness Opinion</p>	March 2022	\$216 Million	--	Private Funds (Liquidity Venue)	The combination provides significant capital to fund growth, accelerate its technology platform, strengthen its network position, and unlock further opportunities for expansion.	Fairness Opinion
 <p>SIP SHARESPOST</p> <p>has been acquired by</p>  <p>Forge</p> <p>Sellside Advisor</p>	November 2020	\$160 Million	--	Private Company—Secondary (Investment Marketplace)	The combination creates a leading global private securities marketplace serving the liquidity needs of high-growth unicorn companies and their employees.	Sellside Advisor
 <p>MERCURY CAPITAL ADVISORS</p> <p>and its wholly-owned subsidiary</p>  <p>MERCURY iFunds</p> <p>have been acquired by</p>  <p>INVESTCORP</p> <p>Sellside Advisor*</p>	May 2019	Not Disclosed	\$22.5 Billion	Alternatives (Fund Placement)	Mercury, a global capital-raising and investment advisory firm, has agreed to be acquired by Investcorp, a leading global provider and manager of alternative investments products.	Sellside Advisor
 <p>altegris</p> <p>a portfolio company of</p>  <p>AQUILINE GENSTAR</p> <p>has merged with</p>  <p>ARTIVEST</p> <p>a portfolio company of</p>  <p>KKR</p> <p>Sellside Advisor*</p>	June 2018	Not Disclosed	\$2.5 Billion	Alternatives (Distribution Platform)	The combination of Altegris and Artinvest creates a solutions-driven alternative investment marketplace with \$3 billion of asset flows serving 10,000+ clients.	Sellside Advisor
 <p>EATON PARTNERS</p> <p>has been acquired by</p>  <p>STIFEL</p> <p>Sellside Advisor*</p>	November 2015	Not Disclosed	--	Alternatives (Fund Placement)	Eaton has served as intermediary for more than \$68 billion of total capital commitments from institutional investors to 90 differentiated funds.	Sellside Advisor

# Highlighted Capital Raises: Accessing Alternatives

Date	Target	Target Type	Target Country	Lead Investor(s)	Deal Value (US\$ M)	Pre-Money EV	Deal Type
Apr. 2022	<b>CAIS</b>	Alternatives (Distribution Platform)	U.S.	<b>APOLLO</b> MOTIVE CAPITAL CORP. REVERENCE CAPITAL PARTNERS	\$100	\$1,000.0	Consortium
Dec. 2021	<b>iCapital NETWORK</b>	Alternatives (Distribution Platform)	U.S.	<b>WESTCAP</b>	50	--	Strategic Investment
Nov. 2021	<b>MOONFARE</b>	Alternatives (Investment Marketplace)	Germany	<b>INSIGHT PARTNERS</b>	75	--	Series C
Nov. 2021	<b>YIELDSTREET</b>	Specialty Asset (Investment Marketplace)	U.S.	<b>MAYFAIR EQUITY PARTNERS</b>	50	--	Series C
Apr. 2021	<b>ALTO</b>	Alternatives (Investment Marketplace)	U.S.	<b>UNUSUAL VENTURES</b>	17.0	--	Series A
Feb. 2021	<b>Titan</b>	Alternatives (Investment Marketplace)	U.S.	<b>GENERAL CATALYST</b>	12.5	--	Series A
Nov. 2020	<b>CAIS</b>	Alternatives (Investment Marketplace)	U.S.	<b>ELDRIDGE</b>	50.0	--	Growth Equity
Oct. 2020	<b>DEALPATH</b>	Real Estate (Distribution Platform)	U.S.	<b>Nasdaq</b>	--	--	Strategic Investment
Sept. 2020	<b>Rally</b>	Luxury Asset (Investment Marketplace)	U.S.	global brain Raptor relay ventures	17.0	--	Series B
Aug. 2020	<b>ALPHAFLOW</b>	Real Estate (Investment Marketplace)	U.S.	Undisclosed Investors	7.0	--	Later-Stage VC
Apr. 2020	<b>Rally</b>	Luxury Asset (Investment Marketplace)	U.S.	Scala Ventures social leverage	3.0	--	Early-Stage VC
Mar. 2020	<b>iCapital NETWORK</b>	Alternatives (Distribution Platform)	U.S.	<b>中国平安 PINGAN</b>	146.0	--	Growth Equity
Feb. 2020	<b>zanbato</b>	Private Company—Secondary (Investment Marketplace)	U.S.	8VC LeFrak	15.0	100.0	Series C

# Highlighted Capital Raises: Accessing Alternatives (cont.)

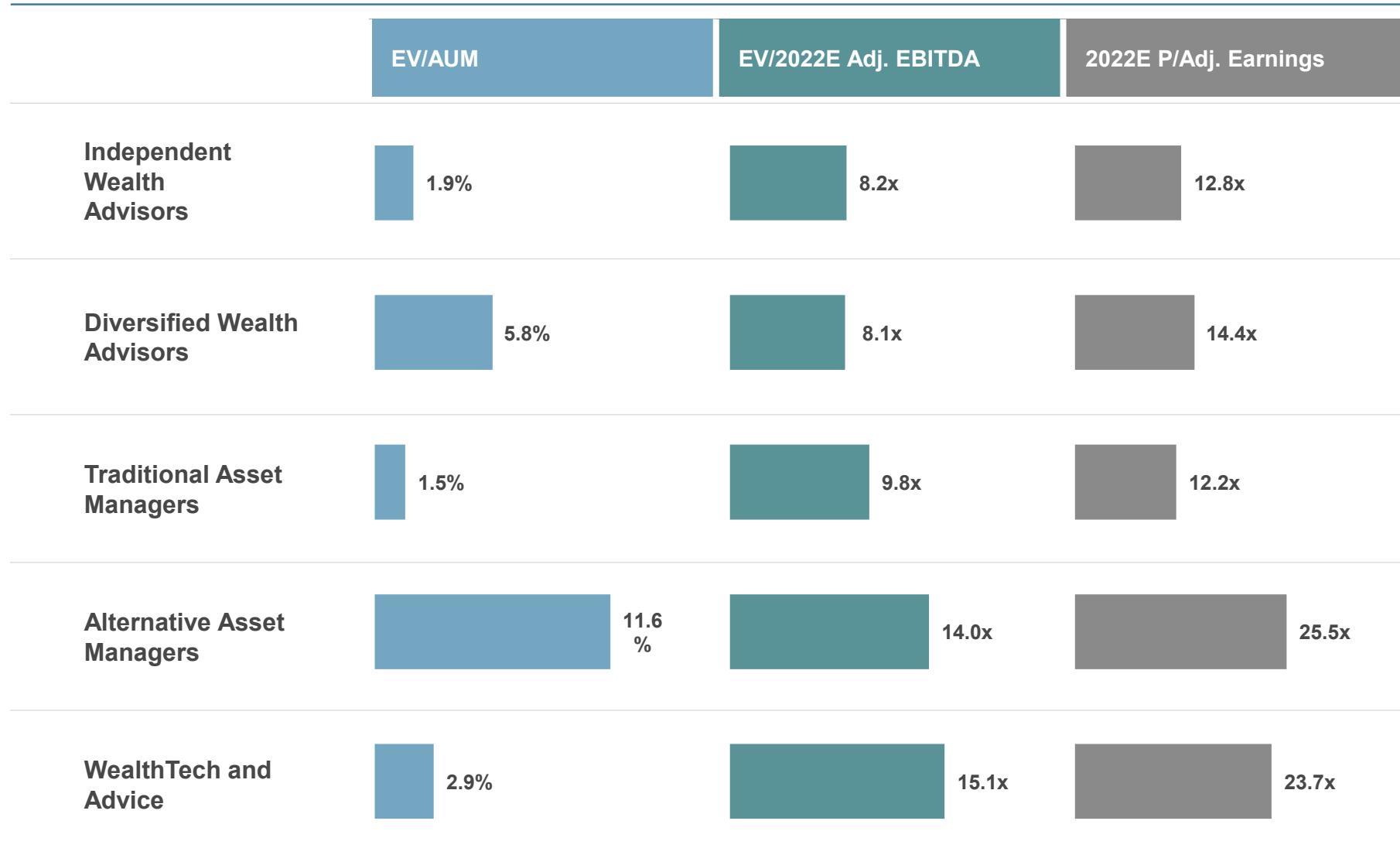
Date	Target	Target Type	Target Country	Lead Investor(s)	Deal Value (US\$ M)	Pre-Money EV	Deal Type
Jan. 2020	 roofstock	Real Estate (Investment Marketplace)	U.S.	 svb Capital	\$50.0	\$525.0	Series D
Dec. 2019	 SP SHARESPOST	Private Company—Secondary (Investment Marketplace)	U.S.	 NEVENTA Silicon Valley Bank	5.0	–	Later-Stage VC
Nov. 2019	 CS CROWDSTREET	Real Estate (Investment Marketplace)	U.S.	 GROTECH VENTURES	12.0	228.0	Series C
Oct. 2019	 PeerStreet	Real Estate (Investment Marketplace)	U.S.	 Colchis CAPITAL	60.0	270.0	Early-Stage VC
June 2019	 EXPORO	Real Estate (Investment Marketplace)	Germany	 partech	57.0	–	Growth Equity
May 2019	 CAIS	Alternatives (Distribution Platform)	U.S.	 GoldenTree CRESCENT	–	–	Consortium
Apr. 2019	 FINITIVE	Specialty Asset (Investment Marketplace)	U.S.	 ATOMIC	6.0	–	Seed
Apr. 2019	 HALO	Specialty Asset (Investment Marketplace)	U.S.	 Allianz Life Ventures	12.0	–	Series B
Apr. 2019	 CleanCapital	Infrastructure Projects (Investment Marketplace)	U.S.	 BlackRock®	5.0	–	Strategic VC
Feb. 2019	 hanetf	Funds (Distribution Platform)	U.K.	 POINT72 VENTURES THIRDSTREAM PARTNERS	–	–	Seed
Jan. 2019	 AIX Alternative Investment Exchange	Alternatives (Distribution Platform)	U.S.	 INVESTMENTS	–	–	Incubation
Nov. 2018	 YIELDSTREET	Specialty Asset (Investment Marketplace)	U.S.	 edison partners	62.0	–	Growth Equity
Nov. 2018	 iCapital NETWORK	Alternatives (Distribution Platform)	U.S.	 THE CARLYLE GROUP Blackstone J.P.Morgan	–	–	Consortium

## Select Valuation Trends

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# Valuations

## Average Public Company Trading Metrics



**Note: The above illustrates comparative valuations on a subsector basis across many different company revenue and business model types. The subsequent pages show the trading metrics of the respective companies within each subcategory.**

Sources: Public filings, SNL Financial, S&P Capital IQ.

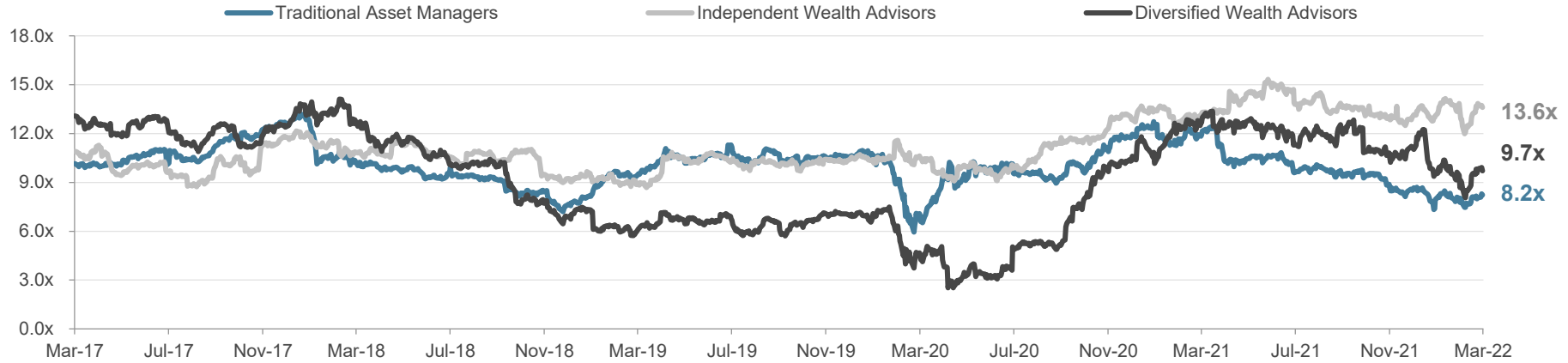
Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022.

# Valuations

## Historical Public Company Trading Levels and Relative Change

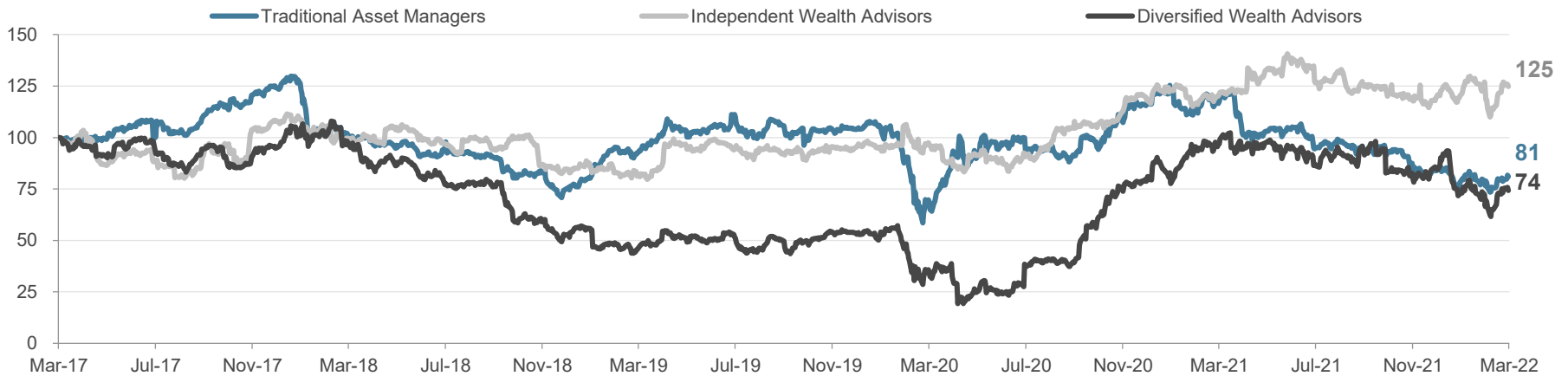
### Total Enterprise Value to LTM EBITDA

Total Enterprise Value to LTM EBITDA



### Relative Change in Total Enterprise Value to LTM EBITDA

Change in Total Enterprise Value to LTM EBITDA



Sources: Public filings, SNL Financial, S&P Capital IQ.

Notes: Financial data as of most recent available. Market data as of March 31, 2022. Indices weighted by market capitalization.

Independent Wealth Advisors includes BCOR, FOCS, LPLA, and SAMG. Diversified Wealth Advisors includes AMP, RJF, SCHW, and SF.



# Select Trading Comparables

## Advisors

As of March 31, 2022

(Dollars in millions, except per share data)

Company	Ticker	Closing Stock Price	Assets Under Management	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	EV/		EV/EBITDA			P/Adj. Earnings		
							AUM	2021E Rev.	2022E	NTM	2023E	2022E	NTM	2023E
<b>Diversified Wealth Advisors</b>														
The Charles Schwab Corporation	SCHW	\$84.31	NA	\$159,676	0.2%	26.9%	n.a.	5.8x	10.5x	9.6x	8.5x	21.7x	19.6x	16.7x
Ameriprise Financial, Inc.	AMP	300.36	1,170,967	33,213	(0.4)	27.6	2.7	2.2	7.6	7.4	6.9	11.9	11.4	10.2
Raymond James Financial, Inc.	RJF	109.91	203,200	22,818	9.5	30.3	8.9	1.6	7.7	7.0	7.0	14.4	12.9	11.2
Stifel Financial Corp.	SF	67.90	NA	7,226	(3.6)	3.2	n.a.	1.5	6.4	6.2	5.6	9.5	9.1	8.1
<b>High</b>					<b>9.5%</b>	<b>30.3%</b>	<b>8.9%</b>	<b>5.8x</b>	<b>10.5x</b>	<b>9.6x</b>	<b>8.5x</b>	<b>21.7x</b>	<b>19.6x</b>	<b>16.7x</b>
<b>Mean</b>					<b>1.4</b>	<b>22.0</b>	<b>5.8</b>	<b>2.8</b>	<b>8.1</b>	<b>7.5</b>	<b>7.0</b>	<b>14.4</b>	<b>13.3</b>	<b>11.5</b>
<b>Median</b>					<b>(0.1)</b>	<b>27.2</b>	<b>5.8</b>	<b>1.9</b>	<b>7.7</b>	<b>7.2</b>	<b>6.9</b>	<b>13.2</b>	<b>12.2</b>	<b>10.7</b>
<b>Low</b>					<b>(3.6)</b>	<b>3.2</b>	<b>2.7</b>	<b>1.5</b>	<b>6.4</b>	<b>6.2</b>	<b>5.6</b>	<b>9.5</b>	<b>9.1</b>	<b>8.1</b>
<b>Independent Wealth Advisors</b>														
LPL Financial Holdings Inc.	LPLA	\$182.68	\$643,200	\$14,609	14.1%	27.4%	2.7%	2.0x	12.9x	11.2x	8.8x	19.1x	16.3x	11.9x
Focus Financial Group	FOCS	45.74	\$205,000	3,520	(23.4)	5.8	1.7	1.6	6.4	6.1	5.2	10.1	9.9	8.8
Blucora, Inc.	BCOR	19.55	40,921	940	12.9	14.7	2.3	1.0	6.2	5.6	5.1	10.2	8.8	8.2
Silvercrest Asset Management Group Inc.	SAMG	20.45	32,320	296	19.1	41.3	0.9	2.2	7.5	7.6	6.8	11.9	11.5	10.3
<b>High</b>					<b>19.1%</b>	<b>41.3%</b>	<b>2.7%</b>	<b>2.2x</b>	<b>12.9x</b>	<b>11.2x</b>	<b>8.8x</b>	<b>19.1x</b>	<b>16.3x</b>	<b>11.9x</b>
<b>Mean</b>					<b>5.7</b>	<b>22.3</b>	<b>1.9</b>	<b>1.7</b>	<b>8.2</b>	<b>7.6</b>	<b>6.5</b>	<b>12.8</b>	<b>11.6</b>	<b>9.8</b>
<b>Median</b>					<b>13.5</b>	<b>21.0</b>	<b>2.0</b>	<b>1.8</b>	<b>7.0</b>	<b>6.9</b>	<b>6.0</b>	<b>11.1</b>	<b>10.7</b>	<b>9.5</b>
<b>Low</b>					<b>(23.4)</b>	<b>5.8</b>	<b>0.9</b>	<b>1.0</b>	<b>6.2</b>	<b>5.6</b>	<b>5.1</b>	<b>10.1</b>	<b>8.8</b>	<b>8.2</b>

Sources: Public filings, SNL Financial, S&P Capital IQ.

Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022.

# Select Trading Comparables

## Traditional Asset Managers

As of March 31, 2022

(Dollars in millions, except per share data)

Company	Ticker	Closing Stock Price	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	Assets Under Mgmt. AUM	EV/			EV/EBITDA			P/Adj. Earnings			
							2022E Rev.	2023E Rev.	2024E Rev.	2022E	2023E	2024E	2022E	2023E	2024E	
<b>Traditional Asset Managers</b>																
BlackRock, Inc.	BLK	\$764.17	\$116,186	(16.5)%	(0.3)%	\$10,010,143	1.2%	5.9x	5.4x	5.0x	14.5x	13.0x	12.9x	19.5x	17.3x	15.7x
T. Rowe Price Group, Inc.	TROW	151.19	34,443	(23.1)	(13.1)	1,687,800	2.0	4.7	4.6	4.5	10.1	10.1	11.0	14.5	13.7	13.4
Franklin Resources, Inc.	BEN	27.92	14,019	(16.6)	(7.4)	1,578,100	1.2	2.0	2.3	2.4	7.3	7.3	7.6	8.0	8.2	7.6
AllianceBernstein Holding LP	AB	47.02	12,667	(3.7)	14.9	779,000	1.6	3.3	3.3	3.4	11.1	10.5	12.1	14.1	13.3	15.1
Invesco Ltd.	IVZ	23.06	10,488	0.2	(10.4)	1,610,900	1.2	3.8	3.6	3.6	8.9	8.7	8.1	9.1	8.2	7.6
Janus Henderson Group plc	JHG	35.02	5,867	(16.5)	9.1	432,300	1.2	2.3	2.3	2.2	7.7	7.5	7.1	12.1	11.8	11.0
Affiliated Managers Group, Inc.	AMG	140.95	5,607	(14.3)	(7.4)	813,800	1.1	3.7	3.6	3.6	8.9	8.6	8.8	7.6	6.9	6.3
Cohen & Steers, Inc.	CNS	85.89	4,181	(7.2)	27.9	106,629	3.9	6.8	6.5	n.a.	15.5	14.3	n.a.	21.0	19.2	n.a.
Federated Hermes, Inc.	FHI	34.06	3,122	(9.4)	9.5	668,873	0.5	2.3	2.1	1.9	8.8	7.9	6.7	11.8	10.4	9.0
Artisan Partners Asset Management Inc.	APAM	39.35	3,103	(17.4)	(25.1)	174,754	1.9	3.0	2.8	2.7	8.0	7.7	7.4	10.2	9.7	9.8
Victory Capital Holdings, Inc.	VCTR	28.87	1,985	(21.0)	11.5	183,654	1.7	3.3	3.2	3.0	6.5	6.2	5.9	5.9	5.6	5.3
Virtus Investment Partners, Inc.	VRTS	239.99	1,801	(19.2)	(0.4)	187,186	2.0	4.4	4.1	n.a.	10.5	9.9	10.4	7.6	7.0	7.1
BrightSphere Investment Group Inc.	BSIG	24.25	1,065	(5.3)	16.6	117,200	1.1	2.9	2.8	2.5	7.7	7.7	6.8	11.8	10.5	8.6
WisdomTree Investments, Inc.	WETF	5.87	843	(4.1)	(9.0)	77,471	1.3	3.2	2.9	2.8	11.6	10.7	10.0	17.1	15.1	12.4
Diamond Hill Investment Group, Inc.	DHIL	187.30	603	(3.6)	16.7	31,028	1.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Pzena Investment Management, Inc.	PZN	8.02	592	(15.3)	(28.5)	52,500	1.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Manning & Napier, Inc.	MN	9.11	178	9.6	41.0	22,543	0.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>High</b>				<b>9.6%</b>	<b>41.0%</b>	<b>\$10,010,143</b>	<b>3.9%</b>	<b>6.8x</b>	<b>6.5x</b>	<b>5.0x</b>	<b>15.5x</b>	<b>14.3x</b>	<b>12.9x</b>	<b>21.0x</b>	<b>19.2x</b>	<b>15.7x</b>
<b>Mean</b>				<b>(10.8)</b>	<b>2.7</b>	<b>1,090,228</b>	<b>1.5</b>	<b>3.7</b>	<b>3.5</b>	<b>3.1</b>	<b>9.8</b>	<b>9.3</b>	<b>8.8</b>	<b>12.2</b>	<b>11.2</b>	<b>9.9</b>
<b>Median</b>				<b>(14.3)</b>	<b>(0.3)</b>	<b>187,186</b>	<b>1.3</b>	<b>3.3</b>	<b>3.2</b>	<b>2.9</b>	<b>8.9</b>	<b>8.7</b>	<b>8.1</b>	<b>11.8</b>	<b>10.5</b>	<b>9.0</b>
<b>Low</b>				<b>(23.1)</b>	<b>(28.5)</b>	<b>22,543</b>	<b>0.5</b>	<b>2.0</b>	<b>2.1</b>	<b>1.9</b>	<b>6.5</b>	<b>6.2</b>	<b>5.9</b>	<b>5.9</b>	<b>5.6</b>	<b>5.3</b>

Sources: Public filings, SNL Financial, S&P Capital IQ.

Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022.

# Select Trading Comparables

## Alternative Asset Managers and Wealth Management Tech/Services

As of March 31, 2022

(Dollars in millions, except per share data)

Company	Ticker	Closing Stock Price	Market Cap.	Intrinsic Enterprise Value <sup>(1)</sup>	YTD Stock Price Return	1-Year Stock Price Return	Assets Under Mgmt.	EV/			EV/EBITDA <sup>(2)</sup>			P/DE			
								AUM	2022E Rev.	2023E Rev.	2024E Rev.	2022E	2023E	2024E	2022E	2023E	2024E
<b>Alternative Asset Managers</b>																	
Blackstone Inc.	BX	\$126.94	\$153,410	\$142,581	(1.9)%	68.8%	\$880,902	16.2%	10.7x	9.5x	8.0x	18.5x	16.1x	13.3x	21.9x	19.1x	15.7x
Brookfield Asset Management Inc.	BAM.A	56.61	93,430	46,303	(6.2)	27.5	688,138	6.7	10.7	9.8	n.a.	15.5	13.9	n.a.	43.2	38.3	n.a.
KKR & Co. Inc.	KKR	58.47	52,664	35,123	(21.5)	16.1	470,555	7.5	5.9	5.4	4.5	11.5	10.3	8.4	18.0	16.7	15.0
Apollo Global Management, Inc.	APO	61.99	28,589	23,984	(14.4)	29.1	497,552	4.8	6.2	5.3	4.9	13.6	11.5	13.3	23.9	20.4	31.8
Ares Management Corporation	ARES	81.23	24,926	24,213	(0.0)	40.8	305,775	7.9	8.0	6.7	5.6	21.9	17.6	14.7	22.2	17.7	14.6
The Carlyle Group Inc.	CG	48.91	17,786	13,067	(10.9)	30.8	300,957	4.3	3.2	3.0	2.7	7.4	6.9	6.4	11.9	11.1	10.1
TPG Inc.	TPG	30.14	16,176	6,058	n.a.	n.a.	17,989	33.7	5.1	4.0	3.7	9.6	6.9	7.0	37.4	29.1	30.0
<b>High</b>					(0.0)%	68.8%	\$880,902	33.7%	10.7x	9.8x	8.0x	21.9x	17.6x	14.7x	43.2x	38.3x	31.8x
<b>Mean</b>					(9.2)	35.5	451,695	11.6	7.1	6.2	4.9	14.0	11.9	10.5	25.5	21.8	19.5
<b>Median</b>					(8.6)	30.0	470,555	7.5	6.2	5.4	4.7	13.6	11.5	10.8	22.2	19.1	15.4
<b>Low</b>					(21.5)	16.1	17,989	4.3	3.2	3.0	2.7	7.4	6.9	6.4	11.9	11.1	10.1

Company	Ticker	Closing Stock Price	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	Assets Under Mgmt.	EV/			EV/EBITDA			P/Adj. Earnings				
							AUM	2022E Rev.	2023E Rev.	2024E Rev.	2022E	2023E	2024E	2022E	2023E	2024E	
<b>WealthTech and Advice</b>																	
SS&C Technologies Holdings, Inc.	SSNC	\$75.02	\$19,235		(8.5)%	5.6%	n.a.	n.a.	4.6x	4.4x	4.2x	11.6x	10.8x	10.1x	14.8x	13.6x	12.4x
Broadridge Financial Solutions, Inc.	BR	155.71	18,183		(14.8)	0.5	n.a.	n.a.	3.9	3.7	3.5	16.6	15.8	15.5	23.7	21.6	19.2
Morningstar, Inc.	MORN	273.17	11,736		(20.1)	17.2	n.a.	n.a.	6.0	5.2	4.7	24.1	20.0	16.9	40.8	32.7	26.4
SEI Investments Company	SEIC	60.21	8,330		(1.2)	(2.7)	n.a.	n.a.	3.7	3.7	3.6	10.7	11.2	11.4	14.8	14.8	14.4
Envestnet, Inc.	ENV	74.44	4,081		(6.2)	0.2	n.a.	n.a.	3.5	3.1	2.6	18.4	14.7	11.7	35.0	27.2	21.0
AssetMark Financial Holdings, Inc.	AMK	22.25	1,637		(15.1)	(6.0)	58,557	2.9	3.8	3.2	2.8	9.1	7.4	6.4	13.2	10.9	9.5
<b>High</b>					(1.2)%	17.2%	\$58,557	2.9%	6.0x	5.2x	4.7x	24.1x	20.0x	16.9x	40.8x	32.7x	26.4x
<b>Mean</b>					(11.0)	2.5	58,557	2.9	4.2	3.9	3.6	15.1	13.3	12.0	23.7	20.1	17.1
<b>Median</b>					(11.7)	0.3	58,557	2.9	3.8	3.7	3.5	14.1	13.0	11.6	19.2	18.2	16.8
<b>Low</b>					(20.1)	(6.0)	58,557	2.9	3.5	3.1	2.6	9.1	7.4	6.4	13.2	10.9	9.5

Sources: Public filings, SNL Financial, S&P Capital IQ.

Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022.

(1) Reflects total market value of debt and equity, less cash, 0.9x the book value of investment portfolio, and 0.9x the book value of carried interest for alternative asset managers.

(2) Market cap/ENI for alternative asset managers.

# Houlihan Lokey Capabilities

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# Leading Independent Advisory Firm

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

**HLI**  
LISTED  
**NYSE**

**2,200+**  
Employees

**35**  
Locations

**~25%**  
Employee-Owned

**~\$6 Billion**  
Market Cap

**~\$2 Billion**  
Annual Revenue

**No**  
Debt

## Corporate Finance

### 2021 Investment Banking Rankings All Global Transactions

	Advisor	Deals
1	Houlihan Lokey	549
2	Goldman Sachs	511
3	JP Morgan	508
4	Rothschild	437
5	Morgan Stanley	393

Source: Refinitiv. Excludes accounting firms and brokers.

**No. 1** U.S. M&A Advisor

**No. 1** Global M&A Advisor

**Leading** Capital Markets Advisor

## Financial Restructuring

### 2021 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	63
2	Rothschild	38
3	Moelis	34
4	PJT Partners	33
5	Lazard	24

Source: Refinitiv.

**No. 1** Global Restructuring Advisor

**1,500+** Transactions Completed Valued  
at More Than \$3.0 Trillion Collectively

## Financial and Valuation Advisory

### 2002 to 2021 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	952
2	JP Morgan	890
3	Duff & Phelps, A Kroll Business	882
4	Morgan Stanley	602
5	BofA Securities	531

Source: Refinitiv. Announced or completed transactions.

**No. 1** Global M&A Fairness Opinion  
Advisor Over the Past 20 Years

**1,000+** Annual Valuation Engagements



# Houlihan Lokey

## Corporate Finance Overview

Houlihan Lokey's leading Corporate Finance business is built of world-class resources.

### Corporate Finance

#### Mergers and Acquisitions

- Extensive expertise in mergers, acquisitions, and divestitures for a broad range of clients; our experience in M&A has earned us recognition throughout the industry.
- No. 1 M&A advisor for all U.S. transactions.

#### Capital Markets

- Offers clients access to financing in the private and public capital markets through the issuance of debt, equity, or hybrid securities.
- Bankers have decades of combined experience in private markets and a track record of successfully executing financings through changing market conditions.

#### Private Funds Group

- Extensive fundraising and in-house operating experience.
- Maximizes the efficiency and effectiveness of the fundraising process for asset managers.
- Provides tailored advice on the development and implementation of strategic initiatives.

#### LEADING M&A ADVISOR TO THE MID-CAP

- Closed more than 1,900 M&A deals under \$1 billion in the past five years.<sup>(1)</sup>
- No. 1 M&A advisor for all nondepository financial services transactions.<sup>(2)</sup>

##### 2021 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	Houlihan Lokey	301
2	Goldman Sachs	285
3	JP Morgan	282
4	Jefferies	199
5	Morgan Stanley	185

Source: Refinitiv.

#### UNMATCHED PRIVATE EQUITY COVERAGE

- No. 1 most active investment bank to U.S. and global private equity.<sup>(3)</sup>
- 22 senior officers dedicated to the sponsor community in North America and Europe.
- Coverage of more than 1,000 private equity firms, 250 hedge funds, and 75 family offices.

*Dedicated coverage provides proprietary data and knowledge of buyer behavior*

#### SEAMLESS CAPITAL MARKETS EXECUTION

- Global team of more than 75 professionals.
- Advised on more than 135 deals in 2021 and worked with over 70 sponsors to raise more than \$18 billion of capital.
- Senior-level contact into all major credit investors.

*Largest dedicated alternative investor coverage team in the industry, which provides the ability to get early credit reads for upcoming sellside clients*

#### LOCAL PRESENCE AND GLOBAL REACH

- 35 offices in North America, Europe, the Middle East, and the Asia-Pacific region.
- More than 1,340 cross-border deals since 2011.<sup>(1)</sup>
- Outstanding track record with international investors, both on sellside and buyside transactions.



● Houlihan Lokey office locations

(1) As of December 31, 2021, according to Refinitiv  
(2) Since 2010, \$50 million to \$600 million deal value.  
(3) In 2021, according to PitchBook.com.

# Wealth Management Focus and Expertise

## Solutions for the Lifecycle of Wealth Managers

Houlihan Lokey is uniquely positioned to serve as a trusted advisor, given its ability to offer an integrated solution to address the most important strategic decisions of wealth and asset managers.

### Mergers and Acquisitions

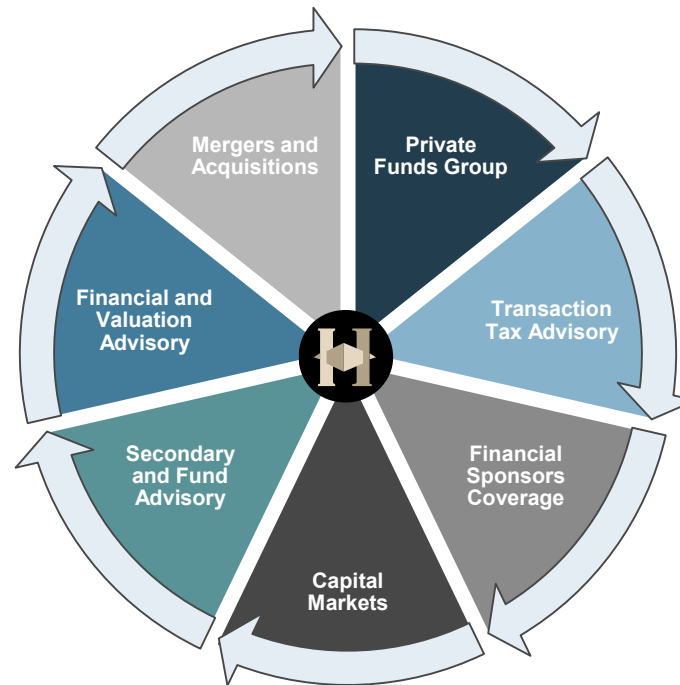
- Comprehensive advisory to wealth managers on minority and majority stake sales, acquisitions, seed investments, joint ventures, product development, succession planning, and establishment of private and permanent capital vehicle.
- Facilitate attractive capital solutions to fund growth, equitize the next generation, and enable transitioning shareholders to monetize equity interest.

### Financial and Valuation Advisory

- Portfolio, private company, security, loan, and derivatives valuation experience.
- Provider of recurring, asset-by-asset valuations to three of the largest minority stake GP investors.

### Secondary and Fund Advisory

- Dedicated team focused on providing liquidity solutions.
- Unique knowledge of secondary investor preferences and behavior through unmatched relationships and deal flow.
- Valuation of existing structures and strategic options can add to a process's value-creation potential.



### Capital Markets

- 75 dedicated professionals across 10 offices in four countries that raised approximately \$18 billion across more than 135 transactions during 2021, with over 70 different financial sponsors.
- Independent advisor on bank commitments and securities offerings with the ability to act as bookrunner/co-manager.

### Private Funds Group

- Dedicated team of approximately 30 individuals globally, combining the institutional fundraising experience of a leading institutional agent with unique in-house operating and investor relations experience from market-leading firms.
- Guidance on timing of stake sales, investor communications, and other strategic considerations as they relate to investor relations.

### Transaction Tax Advisory

- Dedicated tax advisory team specialized in transaction-related tax impacts to maximize efficiency.
- Efficient tax structure can preserve or create value in asset and wealth management stake transactions.

### Financial Sponsors Coverage

- Among the largest financial sponsors groups focused on mid- and large-cap funds, identifying the best investors and facilitating introductions for processes.
- 22 senior officers in North America and Europe dedicated to coverage of more than 1,000 sponsors.

# Houlihan Lokey Wealth and Asset Management

## Overview of M&A and Capital Market Solutions

Houlihan Lokey has extensive experience structuring and negotiating recent transactions involving asset and wealth managers.

### Select Advisory Areas

Mergers and Acquisitions

#### Minority Stake Deals

- Minority investments in a variety of wealth and asset managers and general partnerships across asset classes.
  - Includes both financial and strategic buyers.

#### Majority and Control Deals

- Full sellside and buy-side engagements, featuring majority, path to control, and control transactions.

Capital Markets Related

#### Asset-Level Financing and Sales

- Term and non-term financing for asset companies.
- Running strategic processes, executing bulk asset sales and purchases.

#### Company-Level Financing

- Capital markets solutions for financial services operating companies.
  - Secured and unsecured debt, mezzanine debt, structured preferred, and common equity.

### Selected Wealth and Asset Management Transaction Experience

 has sold a minority equity GP participation (a "GP stake") to  Sellside Advisor	 has sold a minority equity GP stake to  Sellside Advisor	 has sold minority equity stakes to TPG Sixth Street Partners and Dyal Capital partners Exclusive Sellside Advisor	 has repurchased their minority seed interest from  Buyside Advisor	Transaction Pending  has agreed to be acquired by First Eagle Investments \$18.7 billion AUM Sellside Advisor	 has sold a minority stake to American Beacon® a portfolio company of  Sellside Advisor*
 has sold a minority equity GP Stake to  Sellside Advisor	 has merged with  Buyside Advisor	 has acquired  Buyside Advisor	An affiliate of  has acquired  Buyside Advisor	 has acquired  Buyside Advisor	 has merged with  Special Committee Advisor
 has sold its interests in the MCC Senior Loan Strategy JV Portfolio to a private fund managed by  Sellside Advisor	 Series B Cumulative Redeemable Preferred Stock with Warrants Recapitalization \$325,000,000 Exclusive Placement Agent	 \$500,000,000 Senior Secured Term Loan with Warrants \$1,650,000,000 Asset-Based Term Facility Recapitalization Financial Advisor & Exclusive Placement Agent	 ABL Revolver Dividend Recapitalization \$100,000,000 Exclusive Placement Agent	 sold its entire Investment Portfolio for \$793 million to funds advised by  Sellside Advisor	 Series A Senior Secured Notes Growth Capital \$50,000,000 Exclusive Financial Advisor & Placement Agent
 a portfolio company of  has received financing from funds managed by  Capital Raising	 has secured multiple Loan Facilities from an undisclosed investor \$80,000,000 Term Loan \$45,000,000 Revolving Credit Facility \$25,000,000 Bridge Loan Co-Placement Agent	 has acquired America First Capital Associates Limited Partnership Two The General Partner of  Buyside Advisor	 Senior Secured Term Loan Recapitalization \$47,500,000 Exclusive Placement Agent	 Convertible Preferred Stock \$47,500,000 Placement Agent	 \$100,000,000 Senior Secured Term Loan Exclusive Placement Agent

Tombstones included herein represent transactions closed from 2014 forward.

\*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.



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