



Wealth Management Market Update

SUMMER 2021 Q2 UPDATE

Wealth Management Market Summary

Summer 2021 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.

In the past five years, we have transacted or transferred more than \$125 billion in assets under management.

Select Market Drivers

Mergers and Acquisitions Remain Robust

- Q2 '21 continued to be active within wealth management M&A.
 - Wealth management M&A was 35.3% higher with 12 more deals in Q2 '21 than Q2 '20.
- Highest concentration of transactions across platforms with between \$100 million and \$2.5 billion of assets under management (AUM).

Private Equity Continues to Be Active

- Sponsors continue to enter the space and grow their existing wealth management platforms through bolt-on transactions.
- Private equity involvement in five out of the 46 transactions in Q2 '21.
 - Charlesbank Capital Partners invested in Lido Advisors, a Los Angeles-based registered investment advisor (\$9 billion in AUM); proceeds earmarked for continued expansion across the country both organically and through acquisitions.
 - TA Associates-backed serial RIA acquirer, Wealth Enhancement Group, purchased a number of wealth managers, including Pillar Pacific Capital Management and Hoover Financial Advisors (both with \$1.5 billion in AUM).

Valuations Remain Strong

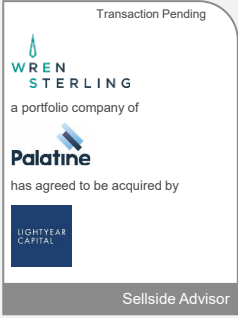
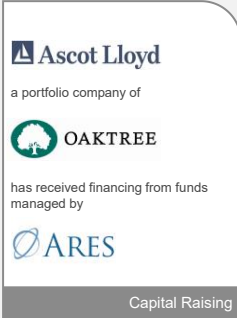


- Public company valuations continue to expand off of the 2020 lows, supported by gains in equity markets, overall economic recovery, and government stimulus.
- Private transaction multiples continue to be near highs, especially for larger firms.

Overall Activity Expected to Continue, Expand Into Ancillary Services

- Recurring consolidation trends—need for operating leverage, accretive acquisitions, overall sponsor demand—will continue to drive transactions.
- Selling activity is expected to stay strong through year-end due to proposed changes to capital gains tax treatment, which may impact transaction pricing.
- Larger firms with scale may expand product set and migrate into derivative areas of core wealth management.

Recent Wealth Management Transactions

Houlihan Lokey Transaction Spotlight

Transaction	Deal Date	Deal Value	AUM	Target Description	Houlihan Lokey Role
 <p>Transaction Pending</p> <p>WREN STERLING a portfolio company of</p> <p>Palatine has agreed to be acquired by</p> <p>LIGHTYEAR CAPITAL</p> <p>Sellside Advisor</p>	July 2021	Not Disclosed	\$6 Billion	Financial planning firm offering services such as financial advice, investment advice, and pensions advice to both businesses and individuals.	Sellside Advisor
 <p>Ascot Lloyd 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	\$14 Billion	Leading IFA business serving more than 21,000 clients through a network of 135 independent financial advisors.	Exclusive Placement Agent
 <p>FORMUES-FORVALTNING</p> <p>has received a partnership investment from</p> <p>Investment Partners ICG</p> <p>funds managed by</p> <p>Sellside Advisor</p>	February 2021	Not Disclosed	\$12 Billion	Leading Nordic wealth manager serving high-net-worth individuals (HNWIs) across Norway and Sweden.	Sellside Advisor
 <p>epiris</p> <p>has acquired through scheme of arrangement</p> <p>IFG GROUP PLC</p> <p>£206,000,000</p> <p>Buyside Advisor</p>	September 2019	\$225 Million	\$42 Billion	Platform for multiclass asset administration, retirement, financial planning, and investment management services.	Buyside Advisor

Houlihan Lokey Transaction Case Study

Wren Sterling

Company Overview

- Wren Sterling is a leading U.K. wealth management business, serving more than 13,000 households through a nationwide network of more than 70 advisors.
- Established in 2015 through the Palatine-backed management buyout of Towergate Financial.
- Has since shown consistent organic growth in assets and profit, supported by high levels of recurring income, and has become an established platform for M&A.
- Offers a range of financial advice, including wealth planning, employee benefit, and pension scheme advisory services, to both private and corporate clients.
- Differentiates itself by delivering exceptional customer service and financial advice through a unique business model with multiple routes to market.
- Has successfully executed a disciplined M&A strategy, completing eight bolt-on acquisitions during the Palatine investment period (including four in 2021), expanding its presence to seven offices.
- Now has more than \$6.3 billion AUM and will draw from the expertise of Lightyear Capital, and the management team will continue to grow organically and through a focused M&A strategy.



Houlihan Lokey Role

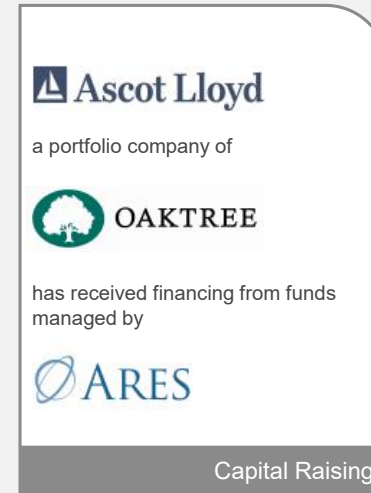
- Served as the exclusive financial advisor to Wren Sterling and Palatine.
 - Included running a full sellside process to sell the business while optimizing maximum value to shareholders. Created marketing materials, assisted with the financial model, and streamlined an efficient diligence process and transaction.
- The transaction was signed in July 2021.

Houlihan Lokey Transaction Case Study

Ascot Lloyd

Company Overview

- Ascot Lloyd is a leading U.K. wealth management business, serving more than 21,000 clients through a nationwide network of 135 independent financial advisors.
- Established in 2004, Ascot Lloyd is one of the largest independent wealth managers in the U.K., having grown through consolidation of smaller wealth management businesses to deliver a stronger centralized offering. The business is now approaching \$13.6 billion of assets under influence.
- Offers a range of financial advice, including financial planning, investment advice, retirement planning, and ancillary financial advice products, and delivered via face-to-face financial advice and telephone-based services.
- Operates an in-house discretionary fund management and model portfolio service, Avellemy, which has grown to more than \$2.0 billion AUM since inception in 2015.
- Has a strong acquisition ethos and a long track record of highly accretive M&A as a core strategy for growth. The business completed 12 acquisitions in 2020 and more than 60 since 2013.
- Generates more than \$81.7 million of group revenues and has over \$136.2 million of capital available to pursue its consolidation strategy in the U.K. wealth management market.



Houlihan Lokey Role

- Served as the exclusive financial advisor to Ascot Lloyd and Oaktree.
 - Created marketing materials, assisted with the financial model, and streamlined an efficient diligence process and transaction.
- The transaction was signed and completed in February 2021.

Wealth Management Transactions

Extensive Global Wealth Management Experience

Select Wealth Management Related Engagements

<p>Project Personalize</p> <p>Sale of 401k advice provider</p> <p><i>In Market</i></p> <p>Sellside Advisor</p>	<p>Transaction Pending</p> <p>WREN STERLING a portfolio company of</p> <p>Palatine has agreed to be acquired by</p> <p>LIGHTYEAR CAPITAL</p> <p>Sellside Advisor</p>	<p>Ascot Lloyd a portfolio company of</p> <p>OAKTREE has received financing from funds managed by</p> <p>ARES</p> <p>Capital Raising</p>	<p>FORMUES-FORVALTNING has received a partnership investment from</p> <p>funds managed by</p> <p>Investment Partners ICG</p> <p>Sellside Advisor</p>	<p>Eaton Vance has been acquired by</p> <p>Morgan Stanley</p> <p>Fairness Opinion</p>	<p>SP SHARESPOST has been acquired by</p> <p>Forge</p> <p>Sellside Advisor</p>
<p>RetireUp has been acquired by</p> <p>Tegra118 a portfolio company of</p> <p>MOTIVE PARTNERS</p> <p>Sellside Advisor</p>	<p>ATRIA Wealth Solutions a portfolio company of</p> <p>LEE EQUITY has acquired</p> <p>WIS</p> <p>Financial and Tax Due Diligence</p>	<p>epiris has acquired through scheme of arrangement</p> <p>IFG GROUP PLC</p> <p>£206,000,000</p> <p>Buyside Advisor</p>	<p>Funds managed by</p> <p>HELLMAN & FRIEDMAN have entered into an agreement to combine</p> <p>Financial Engines and</p> <p>EDELMAN FINANCIAL SERVICES</p> <p>Financial Advisory Services</p>	<p>ATRIA Wealth Solutions a portfolio company of</p> <p>LEE EQUITY has acquired</p> <p>NEXT financial group</p> <p>Financial and Tax Due Diligence</p>	
<p>altegris a portfolio company of</p> <p>AQUILINE GENSTAR has merged with</p> <p>ARTIVEST a portfolio company of</p> <p>KKR</p> <p>Sellside Advisor*</p>	<p>altegris a wholly owned subsidiary of</p> <p>Genworth Financial has been acquired by</p> <p>AQUILINE GENSTAR</p> <p>Sellside Advisor*</p>	<p>altegris has been acquired by</p> <p>Genworth Financial</p> <p>ASSETMARK Wealth Independence Purpose</p> <p>Sellside Advisor*</p>	<p>GW&K Investment Management a wholly owned subsidiary of</p> <p>THE BANK OF NEW YORK MELLON has been acquired by</p> <p>AMG</p> <p>Sellside Advisor*</p>	<p>VOLARIS has been acquired by</p> <p>CREDIT SUISSE FIRST BOSTON</p> <p>Sellside Advisor*</p>	<p>LEBENTHAL has been acquired by</p> <p>Advest Service Investors Since 1898 a member of</p> <p>MONY THE MONY GROUP</p> <p>Sellside Advisor*</p>

*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

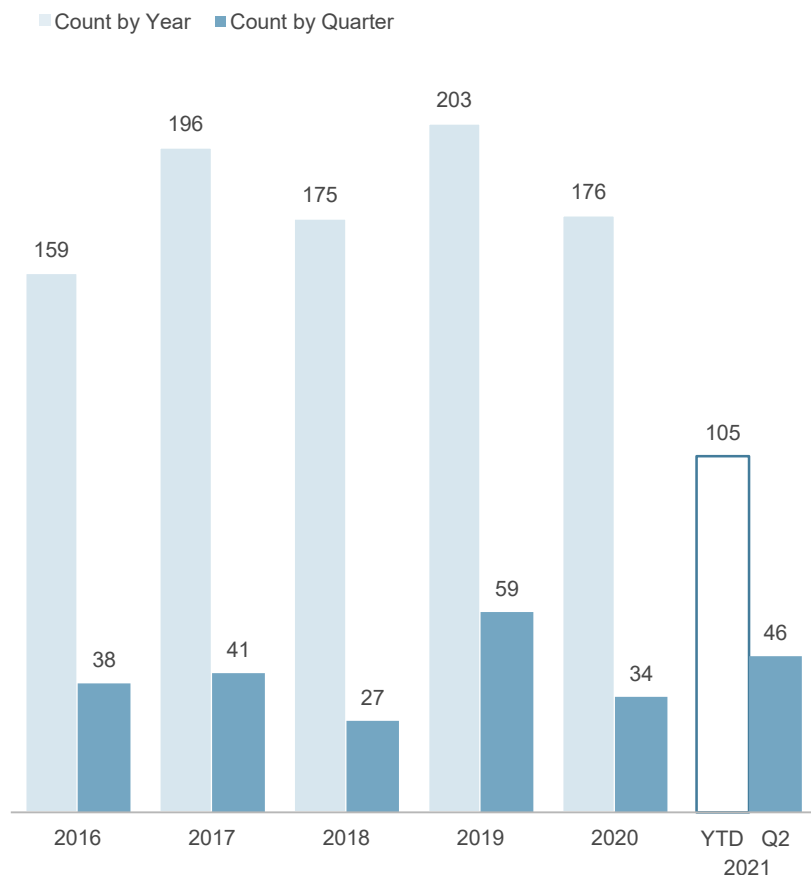
Robust M&A Market

Transaction Activity Remains at an All-Time High

M&A activity remained robust, with 12 more deals in Q2 '21 than Q2 '20, an increase of 35%.

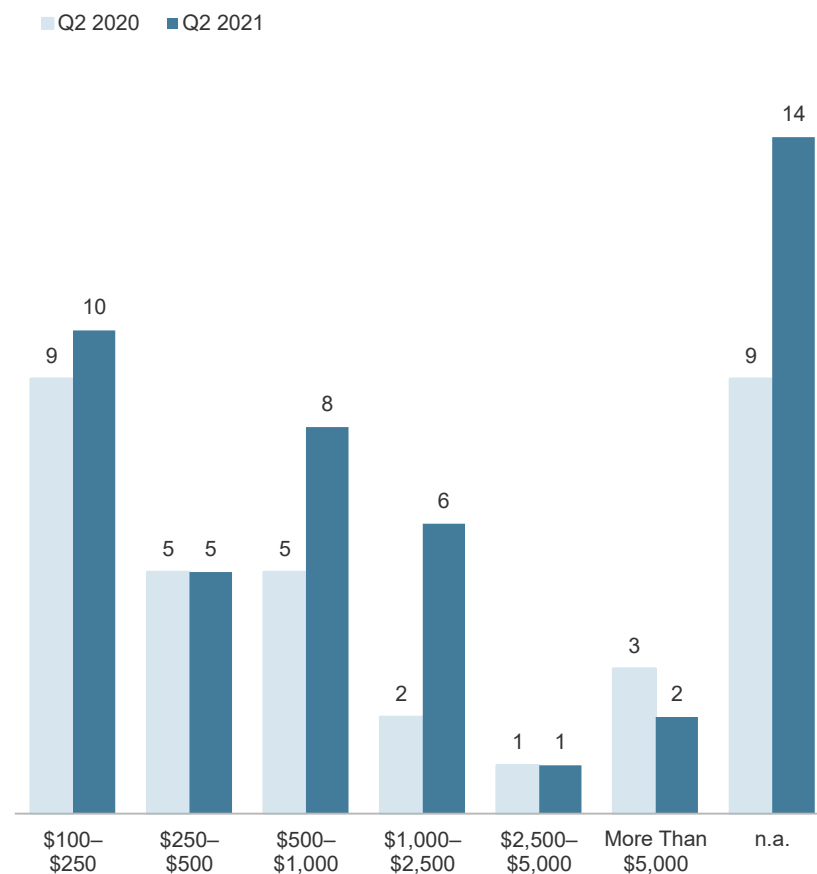
Established M&A Activity⁽¹⁾

Number of transactions executed per year



M&A Activity by Seller Size⁽²⁾

Number of transactions by seller size, \$ in millions



Source: SNL Financial.

(1) 2021 includes transactions that have entered into a definitive agreement; 105 transactions occurred from Jan. 2021 to Jun. 2021 and 46 transactions from Apr. 2021 to Jun. 2021

(2) Represents only M&A activity that disclosed the target's AUM size.

Private Equity Continues to Be Active

Acquirers and Select Transactions

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

Drivers of Private Equity Activity

Large Initial Investment	<ul style="list-style-type: none"> Larger platforms, usually an initial purchase for a sponsor as they enter the sector; typically established operations and an ability to scale easily.
Bolt-On Acquisitions	<ul style="list-style-type: none"> Acquisitions by sponsor-owned entity that is looking to add additional assets and employees; typically rolls up under the marquis platform.
Product Expansion	<ul style="list-style-type: none"> 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.
Exits	<ul style="list-style-type: none"> Sale of platforms by founders or sponsors. Can be through a sale or IPO; may retain a minority or legacy interest post closing.
Drivers of Value	<ul style="list-style-type: none"> Organic growth, accretive acquisitions, expenses savings, operating leverage, product/service build-out, multiple expansion.



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		J.P.Morgan	
Wirehouse		Morgan Stanley	
Regional			
IBDs			
			
RIAs and Service			

Select Advisor Transactions (Q2 '21)

\$ in millions

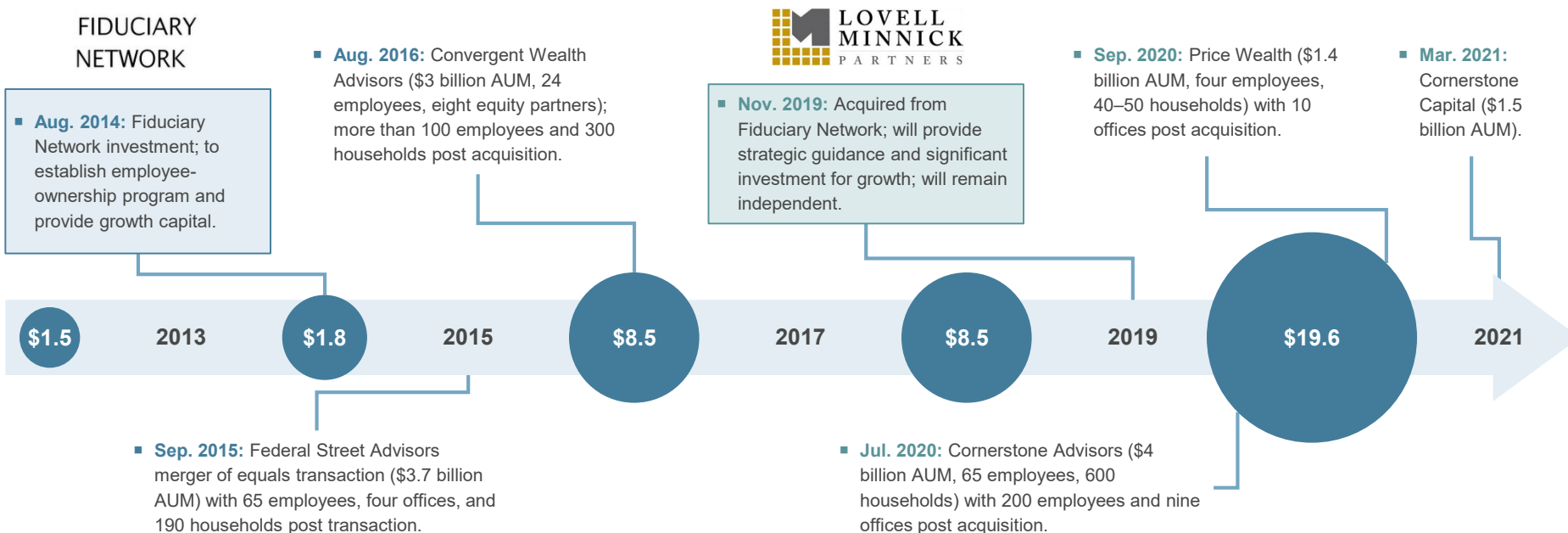
Month	Target	Acquirer	AUM/AUA
Apr.			\$2,000
Apr.			1,400
Apr.			1,459
Apr.			2,318
May			5,046
May			5,700
May			9,000
Jun.			1,460
Jun.			3,557
Jun.			17,000

Leveraging PE Investment to Accelerate Growth

Pathstone Family Office, LLC

Pathstone Family Office, founded in 2010, had no acquisitions prior to private equity investments, initially from Fiduciary Network and later Lovell Minnick Partners; has completed five acquisitions since 2015, three of which have occurred in the past year.

\$ in billions



Transactions and Assets Under Management

\$ in millions

	2014	2015	2016	2017	2018	2019	2020	2021
Transactions	n.a.	1	1	n.a.	n.a.	n.a.	2	1
AUM Acquired⁽¹⁾	n.a.	\$3,700	\$3,000	n.a.	n.a.	n.a.	\$5,400	\$1,500
Cumulative AUM Acquired	n.a.	\$3,700	\$6,700	\$6,700	\$6,700	\$6,700	\$12,100	\$13,600
Value of Client Assets⁽¹⁾	\$1,835	\$5,506	\$8,544	\$8,549	\$8,534	\$10,251	\$19,598	n.a.

Source: Public filings, SNL Financial, S&P Capital IQ

(1) AUM per ADV form, includes both assets under management and assets in client accounts over which the institution does not exercise discretionary investment powers.

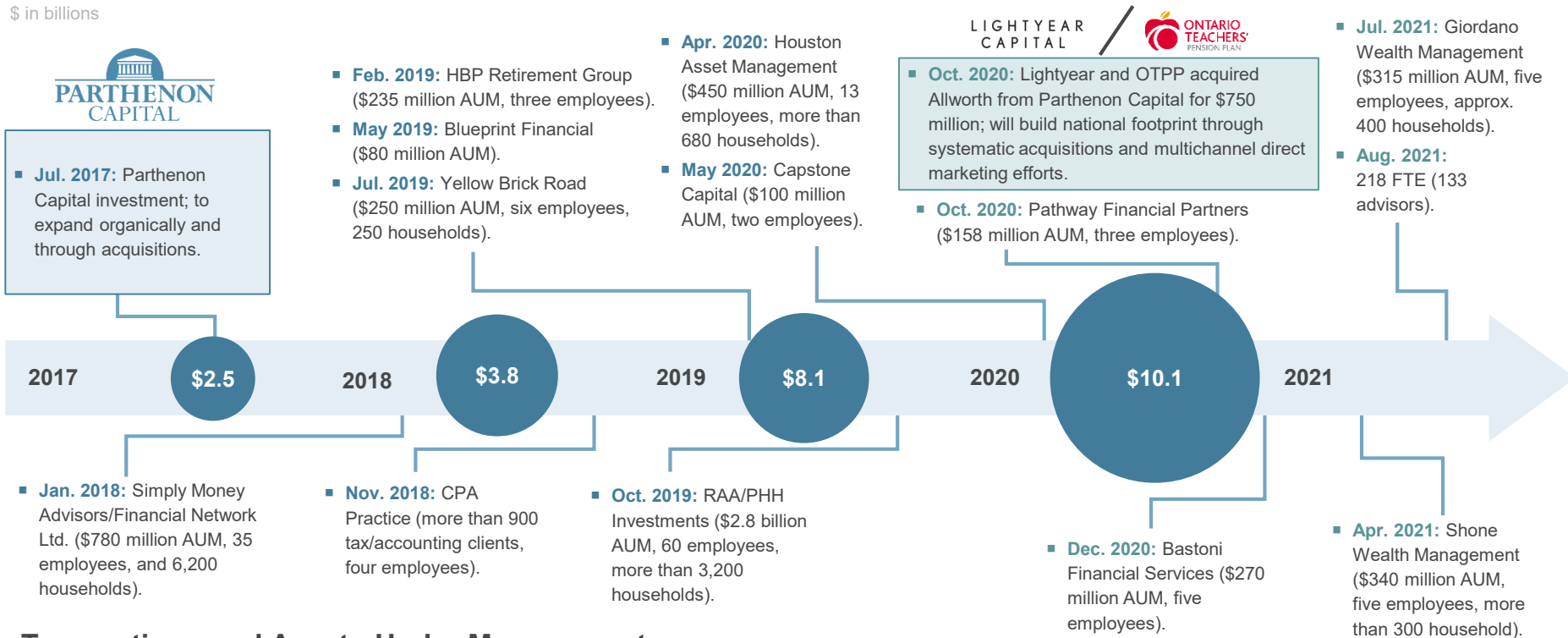
Leveraging PE Investment to Accelerate Growth

Allworth Financial, LP



Allworth, founded in 1993 and formerly known as Hanson McClain Advisors, became an RIA in 1996 and had no acquisitions prior to PE investment; since Parthenon's investment in 2017, Allworth has announced 13 acquisitions.

\$ in billions



Transactions and Assets Under Management

\$ in millions

	2017	2018	2019	2020	2021
Transactions	n.a.	2	4	4	3
AUM Acquired⁽¹⁾	n.a.	\$780	\$3,615	\$978	\$655
Cumulative AUM Acquired	n.a.	\$780	\$4,395	\$5,373	\$6,028
Value of Client Assets⁽¹⁾	\$2,486	\$3,800	\$8,096	\$10,119	n.a.

Source: Public filings, SNL Financial, S&P Capital IQ

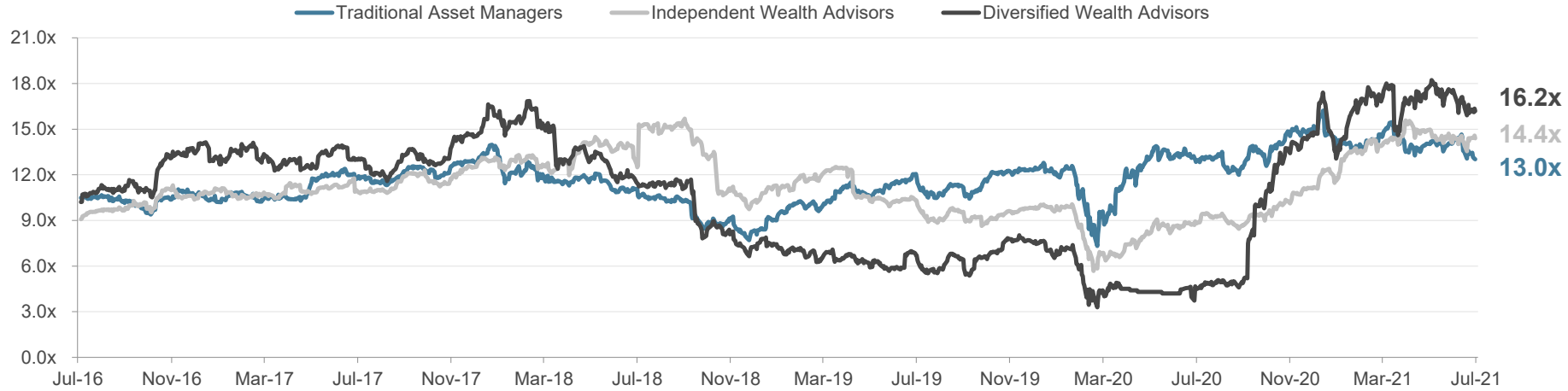
(1) AUM per form ADV, includes both assets under management and assets in client accounts over which the institution does not exercise discretionary investment powers.

Valuations

Historical Public Company Trading Levels and Relative Change

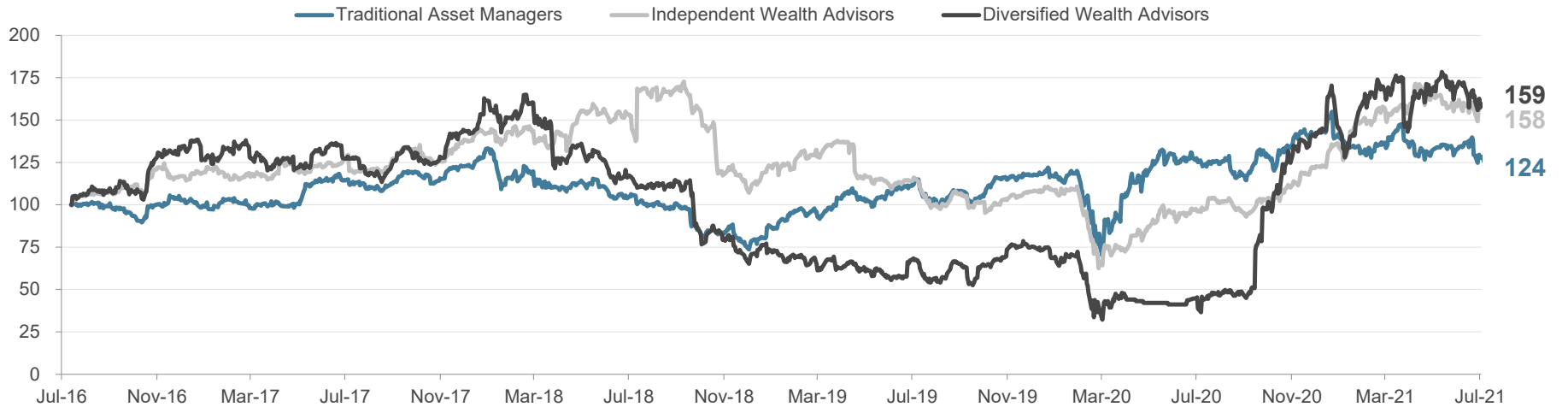
Total Enterprise Value to LTM EBITDA

Total Enterprise Value to LTM EBITDA



Relative Change in Total Enterprise Value to LTM EBITDA

Change in Total Enterprise Value to LTM EBITDA



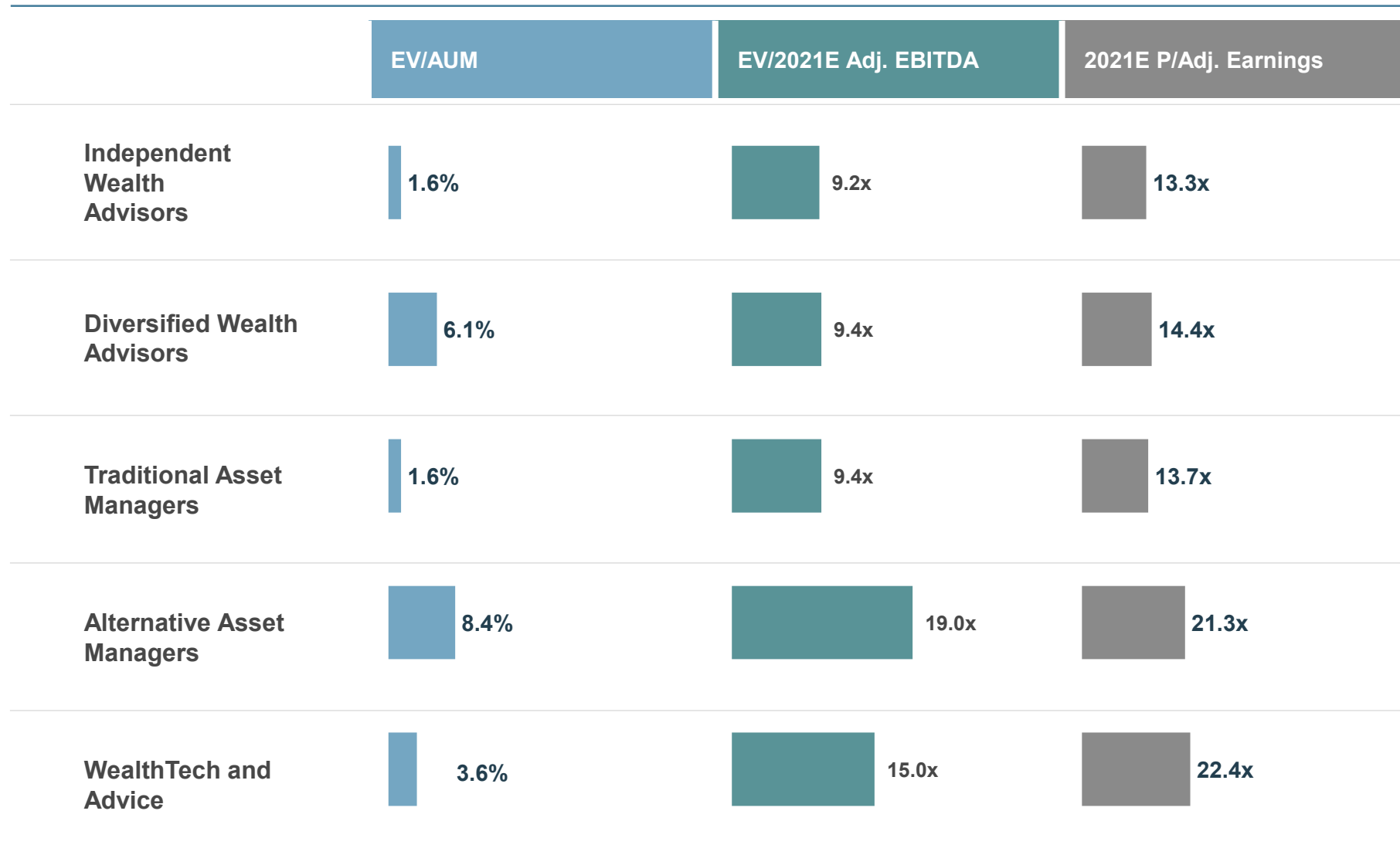
Sources: Public filings, SNL Financial, S&P Capital IQ.

Notes: Financial data as of most recent available; market data as of July 30, 2021; indices weighted by market capitalization.

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

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 July 30, 2021.

Select Trading Comparables

Advisors

As of July 30, 2021

(\$ in millions, except per share data)

Company	Ticker	Closing Stock Price	AUM	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	EV/		EV/EBITDA				P/Adj. Earnings		
							AUM	2021E Rev.	2020A	2021E	NTM	2022E	2021E	NTM	2022E
Independent Wealth Advisors															
LPL Financial Holdings Inc.	LPLA	\$141.04	\$577,600	\$11,315	35.3%	78.5%	2.3%	1.8x	14.7x	13.1x	11.7x	10.8x	19.5x	16.9x	15.5x
Focus Financial Partners Inc.	FOCS	50.11	205,000	4,080	15.3	107.4	n.a.	2.4	12.7	9.5	9.3	8.1	n.a.	n.a.	n.a.
Blucora, Inc.	BCOR	16.86	83,000	816	6.0	43.0	n.a.	1.2	10.6	7.4	6.8	6.8	10.6	8.9	9.9
Silvercrest Asset Management Group Inc.	SAMG	15.96	31,028	231	14.9	45.1	0.8	1.9	8.4	6.6	6.3	6.0	9.7	9.0	8.6
High					35.3%	107.4%	2.3%	2.4x	14.7x	13.1x	11.7x	10.8x	19.5x	16.9x	15.5x
Mean					17.9	68.5	1.6	1.8	11.6	9.2	8.5	7.9	13.3	11.6	11.3
Median					15.1	61.8	1.6	1.8	11.6	8.5	8.0	7.4	10.6	9.0	9.9
Low					6.0	43.0	0.8	1.2	8.4	6.6	6.3	6.0	9.7	8.9	8.6
Diversified Wealth Advisors															
The Charles Schwab Corp.	SCHW	\$67.95	NA	\$128,177	28.1%	105.0%	n.a.	6.6x	22.5x	13.1x	12.1x	12.0x	21.5x	20.7x	19.3x
Ameriprise Financial, Inc.	AMP	257.56	977,941	29,439	32.5	67.6	2.8	2.0	12.6	7.0	6.7	6.5	11.8	11.3	11.0
Raymond James Financial, Inc.	RJF	129.48	191,000	17,726	35.3	86.4	9.3	1.8	12.1	9.6	9.6	9.8	12.7	13.2	12.8
Stifel Financial Corp.	SF	66.54	NA	6,978	31.9	105.9	n.a.	1.6	10.1	8.0	7.9	7.8	11.5	11.2	11.5
High					35.3%	105.9%	9.3%	6.6x	22.5x	13.1x	12.1x	12.0x	21.5x	20.7x	19.3x
Mean					32.0	91.2	6.1	3.0	14.3	9.4	9.1	9.0	14.4	14.1	13.7
Median					32.2	95.7	6.1	1.9	12.4	8.8	8.8	8.8	12.3	12.3	12.2
Low					28.1	67.6	2.8	1.6	10.1	7.0	6.7	6.5	11.5	11.2	11.0

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 July 30, 2021.

Select Trading Comparables

Traditional Asset Managers

As of July 30, 2021

(\$ in millions, except per share data)

Company	Ticker	Closing Stock Price	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	AUM	EV/			EV/EBITDA			P/Adj. Earnings			
							AUM	2021E Rev.	2022E Rev.	2023E Rev.	2021E	2022E	2023E	2021E	2022E	2023E
Traditional Asset Managers																
BlackRock, Inc.	BLK	\$867.17	\$132,069	20.2%	50.8%	\$9,495,993	1.4%	6.8x	6.3x	5.7x	16.4x	14.6x	13.0x	22.7x	20.0x	18.0x
T. Rowe Price Group, Inc.	TROW	204.16	46,331	34.9	47.8	1,623,100	2.7	5.7	5.4	5.1	10.8	10.5	10.0	15.8	15.3	14.5
Franklin Resources, Inc.	BEN	29.55	14,903	18.2	40.4	1,498,900	1.2	2.1	2.2	n.a.	7.5	7.4	n.a.	8.9	8.5	n.a.
AllianceBernstein Holding LP	AB	48.27	13,289	42.9	69.9	697,000	1.9	3.2	3.0	3.0	11.0	10.2	10.0	13.7	12.5	12.0
Invesco Ltd.	IVZ	24.38	11,249	39.9	142.8	1,525,000	1.3	3.6	3.5	3.3	8.0	7.7	7.5	8.2	7.9	7.2
Janus Henderson Group plc	JHG	41.84	7,091	28.7	100.3	427,600	1.5	2.4	2.3	2.3	7.1	7.1	7.0	10.6	10.5	10.9
Affiliated Managers Group, Inc.	AMG	158.44	6,597	55.8	130.3	755,700	1.2	4.0	3.6	3.6	9.7	9.0	8.7	9.3	8.2	7.1
Cohen & Steers, Inc.	CNS	83.21	4,014	12.0	38.3	96,225	4.2	7.2	6.5	5.6	16.7	14.8	13.5	22.8	19.8	19.5
Artisan Partners Asset Management Inc.	APAM	48.09	3,807	(4.5)	32.7	162,883	2.4	3.2	3.0	2.8	7.2	6.5	6.0	9.5	8.8	8.3
Federated Hermes, Inc.	FHI	32.44	3,066	12.3	23.1	645,772	0.5	2.2	2.0	1.8	7.6	6.9	6.6	11.7	10.2	9.7
Virtus Investment Partners, Inc.	VRTS	276.13	2,112	27.2	103.2	178,638	1.1	2.4	2.1	n.a.	5.1	4.5	4.2	8.5	7.4	6.9
Victory Capital Holdings, Inc.	VCTR	30.49	2,068	22.9	71.8	154,331	1.8	3.1	2.9	2.8	6.1	5.7	5.4	6.5	6.2	5.9
BrightSphere Investment Group Inc.	BSIG	24.99	1,983	29.6	85.9	126,900	1.1	2.7	2.9	2.9	6.8	8.0	7.2	17.6	14.3	11.8
WisdomTree Investments, Inc.	WETF	6.18	873	15.5	71.7	73,948	1.4	3.4	3.2	2.9	12.1	11.4	10.6	17.2	17.5	15.4
Pzena Investment Management, Inc.	PZN	11.45	831	56.8	118.5	53,100	1.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Diamond Hill Investment Group, Inc.	DHIL	172.25	552	15.4	51.1	32,360	1.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Manning & Napier, Inc.	MN	9.21	175	46.9	163.1	22,262	0.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	22.0	n.a.	n.a.
High				56.8%	163.1%	\$9,495,993	4.2%	7.2x	6.5x	5.7x	16.7x	14.8x	13.5x	22.8x	20.0x	19.5x
Mean				27.9	78.9	1,033,512	1.6	3.7	3.5	3.5	9.4	8.9	8.5	13.7	11.9	11.3
Median				27.2	71.7	178,638	1.4	3.2	3.0	3.0	7.8	7.9	7.5	11.7	10.4	10.9
Low				(4.5)	23.1	22,262	0.5	2.1	2.0	1.8	5.1	4.5	4.2	6.5	6.2	5.9

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 July 30, 2021.

Select Trading Comparables

Alternative Asset Managers

As of July 30, 2021

(\$ in millions, except per share data)

Company	Ticker	Closing Stock Price	Market Cap.	Intrinsic Enterprise Value ⁽¹⁾	YTD Stock Price Return	1-Year Stock Price Return	EV/			EV/EBITDA ⁽²⁾			P/DE				
							AUM	AUM	2021E Rev.	2022E Rev.	2023E Rev.	2021E	2022E	2023E	2021E	2022E	2023E
Alternative Asset Managers																	
The Blackstone Group Inc.	BX	\$115.27	\$135,436	\$127,159	77.9%	116.3%	\$684,029	18.6%	16.2x	14.0x	12.6x	28.5x	24.6x	21.6x	29.9x	27.3x	24.1x
Brookfield Asset Management Inc.	BAM.A	54.01	85,170	46,205	31.5	68.4	609,075	7.6	10.9	10.0	n.a.	18.6	16.6	n.a.	18.4	16.6	n.a.
KKR & Co. Inc.	KKR	63.76	57,428	41,803	57.5	80.3	367,453	11.4	10.3	8.3	7.3	26.9	21.1	22.9	26.7	24.8	26.1
Apollo Global Management, Inc.	APO	58.86	26,067	23,013	20.2	19.9	461,138	5.0	6.9	6.0	n.a.	13.0	11.2	n.a.	17.5	15.2	n.a.
Ares Management Corp.	ARES	71.61	21,416	20,686	52.2	79.3	247,886	8.3	10.7	8.9	8.2	31.0	25.0	22.3	32.3	25.8	23.4
The Carlyle Group Inc.	CG	50.47	18,212	13,881	60.5	77.3	275,877	5.0	4.7	4.1	3.8	12.1	10.2	8.2	18.0	15.7	12.7
Sculptor Capital Management Inc.	SCU	23.22	1,435	954	52.8	86.8	37,374	2.6	1.3	1.3	1.3	3.1	3.1	2.9	6.0	5.9	5.8
High					77.9%	116.3%	\$684,029	18.6%	16.2x	14.0x	12.6x	31.0x	25.0x	22.9x	32.3x	27.3x	26.1x
Mean					50.4	75.5	383,262	8.4	8.7	7.5	6.6	19.0	16.0	15.6	21.3	18.8	18.4
Median					52.8	79.3	367,453	7.6	10.3	8.3	7.3	18.6	16.6	21.6	18.4	16.6	23.4
Low					20.2	19.9	37,374	2.6	1.3	1.3	1.3	3.1	3.1	2.9	6.0	5.9	5.8

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 July 30, 2021.

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

(2) Market Cap/ENI.

Select Trading Comparables

Wealth Management Tech/Services

As of July 30, 2021

(\$ in millions, except per share data)

Company	Ticker	Closing Stock Price	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	EV/			EV/EBITDA			P/Adj. Earnings				
						AUM	AUM	2021E Rev.	2022E Rev.	2023E Rev.	2021E	2022E	2023E	2021E	2022E	2023E
WealthTech and Advice																
Broadridge Financial Solutions, Inc.	BR	173.49	20,147	13.2	29.1	n.a.	n.a.	4.6	4.3	4.1	19.2	18.1	16.5	29.5	26.2	24.7
SS&C Technologies Holdings, Inc.	SSNC	78.39	20,043	7.8	36.3	n.a.	n.a.	5.3	5.1	4.9	13.1	12.5	12.1	16.3	15.5	14.5
Morningstar, Inc.	MORN	252.63	10,849	9.1	50.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SEI Investments Co.	SEIC	60.80	8,577	5.8	16.2	n.a.	n.a.	4.1	3.9	3.7	12.0	11.7	11.3	16.3	15.2	14.0
Envestnet, Inc.	ENV	75.23	4,094	(8.6)	(7.4)	n.a.	n.a.	4.0	3.6	3.2	18.3	16.7	14.0	31.9	31.1	25.6
AssetMark Financial Holdings, Inc.	AMK	26.10	1,919	7.9	(6.3)	54,117	3.6	5.1	4.3	3.8	12.3	10.1	8.7	18.3	15.5	13.6
High				13.2%	50.3%	\$54,117	3.6%	5.3x	5.1x	4.9x	19.2x	18.1x	16.5x	31.9x	31.1x	25.6x
Mean				5.9	19.7	54,117	3.6	4.6	4.2	3.9	15.0	13.8	12.5	22.4	20.7	18.5
Median				7.8	22.7	54,117	3.6	4.6	4.3	3.8	13.1	12.5	12.1	18.3	15.5	14.5
Low				(8.6)	(7.4)	54,117	3.6	4.0	3.6	3.2	12.0	10.1	8.7	16.3	15.2	13.6

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 July 30, 2021.

Houlihan Lokey

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

1,500+
Employees

23
Locations

**Approx.
25%**
Employee-Owned

**Approx.
\$6.0 Billion**
Market Cap

**More Than
\$1 Billion**
Annual Revenue

No
Debt

Corporate Finance

2020 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	Houlihan Lokey	210
2	Goldman Sachs & Co	172
3	JP Morgan	132
4	Evercore Partners	126
5	Morgan Stanley	123

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 U.S. M&A Advisor

Top 5 Global M&A Advisor

Leading Capital Markets Advisor

Financial Restructuring

2020 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	106
2	PJT Partners Inc	63
3	Lazard	50
4	Rothschild & Co	46
5	Moelis & Co	39

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 Global Restructuring Advisor

1,400+ Transactions Completed Valued
at More Than \$3.0 Trillion Collectively

Financial and Valuation Advisory

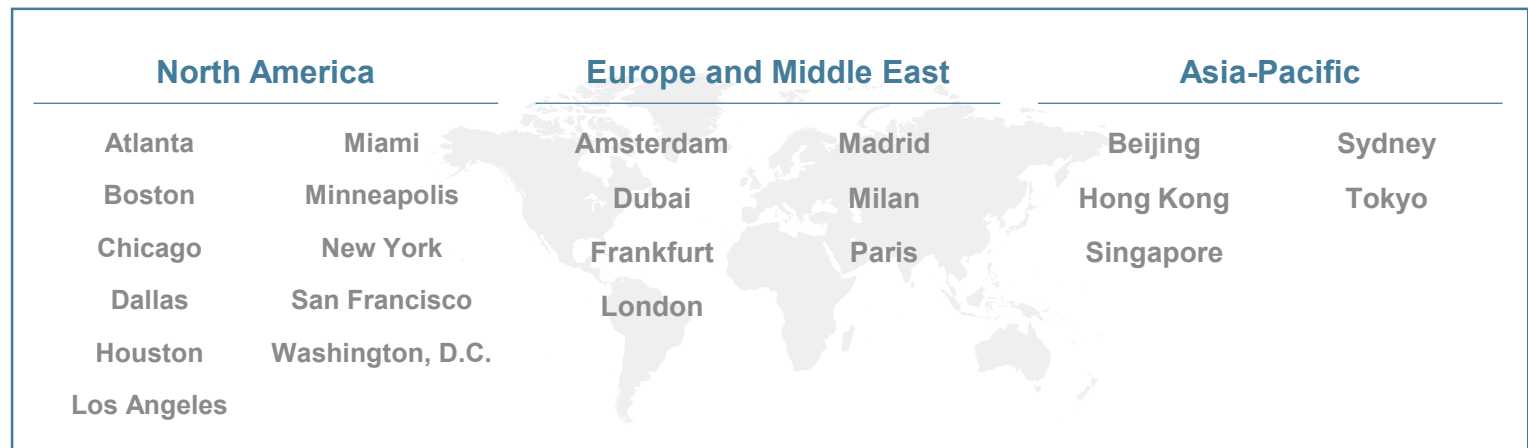
2001 to 2020 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	956
2	JP Morgan	876
3	Duff & Phelps	802
4	Morgan Stanley	599
5	BofA Securities Inc	542

Refinitiv (formerly known as Thomson Reuters). Announced
or completed transactions.

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

1,000+ Annual Valuation Engagements



Wealth Management Focus and Expertise

Solutions for the Lifecycle of 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

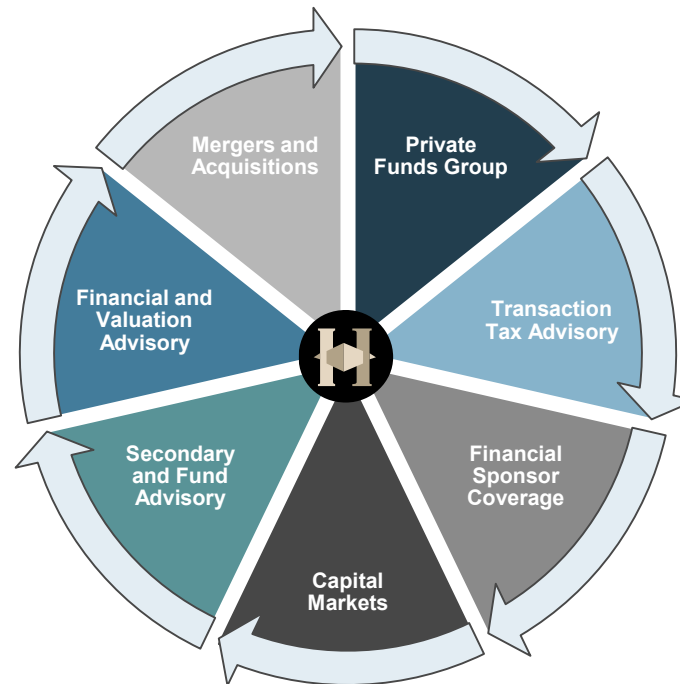
- Comprehensive advisory to wealth managers on minority and majority stake sales, acquisitions, seed investments, joint ventures, product development, succession planning, and establishment of private and permanent capital vehicle.
- Facilitate attractive capital solutions to fund growth, equitize the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

- 45 dedicated professionals across six offices in five countries that raised approximately \$9 billion across more than 50 transactions during 2020, with more than 30 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 Services

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

Wealth Management Focus and Expertise

Overview of M&A and Capital Market Solutions

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

Select Advisory Areas

Selected Wealth and Asset Management Transaction Experience

Mergers and Acquisitions

Minority Stake Sales

- 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 Sales

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

Capital-Markets-Related

Asset-Level Financing and Sales

- Term and nonterm 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.

AVISTA
CAPITAL PARTNERS

has sold a minority equity GP participation (a "GP stake") to

Capital Constellation

Wafra

Sellside Advisor

KENNEDY LEWIS
INVESTMENT MANAGEMENT

has sold a minority equity GP stake to

AZIMUT
DORNING INVESTMENT DIRECTOR
AZIMUT ALTERNATIVE CAPITAL PARTNERS

Sellside Advisor

HALCYON

has sold minority equity stakes to

TPG Sixth Street Partners
and
Dyal Capital partners

Exclusive Sellside Advisor

STANDARD GENERAL

has repurchased their minority seed interest from

RESERVOIR
Capital Group

Buy-side Advisor

ASTOR INVESTMENT MANAGEMENT

has sold a minority interest to

Harvest Capital Strategies
a subsidiary of

JMP

Sellside Advisor*

ARK INVEST

has sold a minority stake to

American Beacon*
a portfolio company of

KEISO **ESTANCLIA**

Sellside Advisor*

ONEX

has acquired

FALCON

Buy-side Advisor

OAKTREE
OCS | Strategic Income Corporation

has merged with

OAKTREE
OCS | Specialty Lending Corporation

Special Committee Advisor

ORIX

has acquired

NXT CAPITAL

Buy-side Advisor

NEWSTAR FINANCIAL

has been acquired by

FIRST EAGLE
INVESTMENT MANAGEMENT

and has sold a \$2.4 billion middle-market loan and credit investment portfolio to a fund sponsored by

GSO
CAPITAL PARTNERS

Financial Advisor

OMAM

has acquired a majority interest in

LANDMARK PARTNERS

Buy-side Advisor*

METWEST
Metropolitan West Asset Management LLC

has been acquired by

TCW
The TCW Group, Inc.

Sellside Advisor

MEDLEY
CAPITAL CORPORATION

has sold its interests in the MCC Senior Loan Strategy JV Portfolio to a private fund managed by

GOLUB CAPITAL

Sellside Advisor

TPG
REAL ESTATE FINANCE TRUST

Series B Cumulative Redeemable Preferred Stock with Warrants

Recapitalization

\$325,000,000

Exclusive Placement Agent

MFA
FINANCIAL, INC.

\$500,000,000 Senior Secured Term Loan with Warrants

\$1,650,000,000 Asset-Based Term Facility

Recapitalization

Financial Advisor & Exclusive Placement Agent

Project Helios
Solar Development Lending

ABL Revolver

Dividend Recapitalization \$100,000,000

Exclusive Placement Agent

TC P TRIANGLE CAPITAL CORPORATION

sold its entire Investment Portfolio for \$793 million to funds advised by

BENEFIT STREET
PARTNERS

Sellside Advisor

Merchants
AUTOMOTIVE GROUP

Series A Senior Secured Notes

Growth Capital

\$50,000,000

Exclusive Financial Advisor & Placement Agent

Ascot Lloyd
a portfolio company of

OAKTREE

has received financing from funds managed by

ARES

Capital Raising

CURO
WORLDWIDE CREDIT INVESTMENT

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

GRETSTONE

has acquired

America First Capital Associates Limited Partnership Two
The General Partner of

ATAX
AMERICA FIRST CAPITAL ASSOCIATES LIMITED PARTNERSHIP, L.P.

Buy-side Advisor

annexus*

Senior Secured Term Loan

Recapitalization

Exclusive Placement Agent

SMART FINANCIAL

Convertible Preferred Stock

\$47,500,000

Placement Agent

GRETSTONE

\$100,000,000 Senior Secured Term Loan

Exclusive Placement Agent

*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. Tombstones included herein represent transactions closed from 2010 forward.

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FINANCIAL AND VALUATION ADVISORY

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