

Financial Services Group

Retirement Industry Overview

INDUSTRY UPDATE **Winter 2023**



Houlihan Lokey

Retirement Market Summary

Winter 2023 Industry Updates and Drivers

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Select Market Drivers

Market Overview

- The retirement market is massive, exceeding \$32 trillion in assets.
- Approximately \$9 trillion invested in defined contribution (DC) plans, including more than \$6 trillion in 401(k) plans.
- Macroeconomic and geopolitical market pressures continue to displace the market and renew individuals' desire for stability as they focus on retirement savings.
- The Setting Every Community Up for Retirement Enhancement (SECURE) 2.0 Act recently passed, bringing a slate of changes that will strengthen the retirement system, including automatic enrollment in 401(k) plans, increased catch-up contributions, and emergency savings accounts.

Robust Mergers and Acquisitions Activity

- M&A activity within the retirement space declined from peak levels in 2021. Despite the slowdown, activity remains strong with total deal volume 50% higher than 2020.
- Retirement and wealth continue to converge; emerging multifunctional platforms (CAPTRUST, Creative Planning, Hub, etc.) are showing they can fully service participants while offering equally capable wealth management and financial planning.

Retirement Trends

- Several notable trends have emerged in the retirement market:
 - **Decreased Savings:** The current economic environment has led to decreased savings rates, which can have major consequences on retirement outcomes.
 - **Holistic Planning:** Planning has evolved to include both pre- and post-retirement offerings, as the workforce has a growing number of both young and older workers.
 - **Protection:** The desire for downside protection and collaboration between sponsor and advisor has trended as participants seek expert advice to navigate turbulent markets and economic uncertainty.

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

We have transacted or transferred more than \$189 billion in AUM since 2015.

U.S. Retirement Market

Key Trends Prevailing in the Space

Market turbulence and economic uncertainty have pushed sponsors, advisors, and participants to rethink retirement from simply saving to an ongoing holistic and durable approach, protecting against downside and providing solutions beyond retirement.

Select Market Trends

Decreased Savings Rates



- Approximately 54% of Americans reported reducing or discontinuing retirement savings because of spiking inflation on daily household expenses.
- This decrease suggests lower industry inflows expected in 2023 than in previous years, serving as the impetus for plan sponsors, employers, and policymakers to prioritize helping participants gain access to retirement plans.
- Under-saving early on can have major consequences on a participant's retirement outcome, causing many employers to adopt auto enrollment, which boosts participation from 39% to 85%.

Holistic Retirement Planning



- Keeping participants on a path to reach desired outcomes requires holistic help that goes beyond merely saving and investing for retirement and delves into post-retirement and ongoing wealth management, as well.
- With younger employees entering the workforce and older employees working longer, plan sponsors and financial professionals are offering innovative products and services.
- For older employees, hybrid solutions seamlessly transitioning target date funds (TDFs) to personalized allocations have gained traction, while investment strategies in ESG and cryptocurrencies have captured younger cohorts' attention.

More New Products and a Focus on Lifetime Income



- Plan sponsors are working to keep employees in plan post-retirement as the demand for income-producing products and services grows, a material trend reversal from just a few years ago.
- SECURE's passage has sparked a frenetic wave of product development in the DC insured solution space as recordkeepers, middleware providers, and insurance companies make advancements toward benefit portability.
 - Many providers will launch their second or third post-SECURE income product integration in 2023.
- Tools comparing annuity and other lifetime income solutions have been launched; nonconsideration of income solutions could be seen as a fiduciary breach.

Collaboration Between Sponsors and Professionals







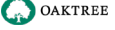















- The current economic dynamics are unlike any many investors have experienced, including the largest surge in consumer inflation since the 1980s, driving demand for diversification and downside protection more than ever.
- Plan sponsors continue to collaborate with financial professionals, as active management has helped achieve the diversification needed to navigate uncertain investment landscapes pre- and post-retirement.
- It's expected that plan sponsors will construct retirement ecosystems encompassing an array of investment solutions, tools, services, and professional advice.

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Select Retirement and Wealth Transactions

Houlihan Lokey Transaction Spotlight

Transaction	 <p>has completed a business combination with</p>  <p>to form</p>  <p>Capital Markets Accounting & Reporting Advisor</p>	 <p>has received significant investment from</p>  <p>Financial Advisor</p>	 <p>a portfolio company of funds managed by</p>  <p>and</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has made a strategic partnership in and recapitalization of</p>  <p>\$8.0 billion AUM Wealth Manager</p> <p>Financial Advisor</p>	 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>Sellside Advisor</p>
Deal Date	January 2023	December 2022	October 2022	March 2022	March 2022	February 2022	June 2020
Target Description	<p>Investment advisor for high-net-worth families, trusts, foundations, and endowments. Privately owned investment firm, global multifamily office, and merchant banking boutique.</p>	<p>Leading independent wealth management business employing more than 120 employees and managing more than \$2.7 billion in AUM.</p>	<p>One of the largest U.K. independent financial advisory businesses, serving more than 20,000 clients through more than 500 staff across 17 U.K. locations.</p>	<p>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.</p>	<p>Leading managed account DC technology platform utilizing its proprietary technology to service more than \$2.3 billion in AUM and more than 4,000 plans.</p>	<p>Provider of mortgage technology solutions, supporting home equity conversion mortgage and private reverse mortgage origination products.</p>	<p>RetireUp builds efficient software and simulations that enable advisors to assess a client's needs for specific lifetime income product, including annuities and life insurance.</p>
Houlihan Lokey Role	Deal Accounting, Financial Reporting, and Valuation Advisory Services	Financial Advisor	Sellside Advisor	Financial Advisor	Sellside Advisor	Sellside Advisor	Sellside Advisor

Saltus Group Secures Investment From PCP

Houlihan Lokey Case Study

Saltus Group has secured a significant investment from Preservation Capital Partners.

Houlihan Lokey served as financial advisor to Saltus Group and assisted in negotiating the transaction.

Transaction Overview

- On August 3, 2022, Saltus Group (Saltus) secured a significant investment from Preservation Capital Partners (PCP) to support its goal of being the leading vertically integrated high-net-worth (HNW) wealth management firm in the U.K.
- It is expected that post completion, PCP will hold a majority stake alongside management and the existing long-term shareholder base of HNW individuals.
- The investment will significantly accelerate Saltus' current growth trajectory through greater access to capital.
- This facilitates further investment in technology development to improve the experience of its clients and advisors, and it broadens the reach of the Saltus Partnerships Programme (SPP).
- The transaction closed on December 2, 2022.

Saltus Group

- Saltus is an independent wealth management business helping its clients achieve their goals in life through expert financial planning as well as sharp, focused investment management.
- Founded in 2004, Saltus has displayed impressive growth, launching Saltus Financial Planning in 2015, and now employs more than 120 people and has more than \$2.7 billion in assets under management (AUM).
- The expectation is to grow AUM to more than \$4 billion by the end of the year.

Preservation Capital Partners

- PCP is an investment firm specializing in investing in high-growth financial technology and services companies.
- It manages approximately \$1 billion in AUM and has more than 75 years of direct investing experience with a strong record of supporting businesses in their growth.

Constellation Mortgage Solutions to Acquire ReverseVision

Houlihan Lokey Case Study

On February 9, 2022, Constellation Mortgage Solutions, Inc. (CMS) announced the closing of its acquisition of ReverseVision, Inc., a portfolio company of TVC Capital (TVC).

Houlihan Lokey served as the exclusive financial advisor to ReverseVision, Inc., and TVC Capital and assisted in marketing, structuring, and negotiating the transaction.

Transaction Overview

- CMS, a division of Toronto-based Constellation Software, acquired ReverseVision.
- The acquisition includes the components of ReverseVision's full product suite, including ReverseVision Exchange (RVX), core platform; RVDOC Composer (RVDOC), compliant reverse mortgage documents; and ReverseVision Sales Accelerator (RVSA), loan modeling and comparison tools.

“*CMS has a proven track record for supporting its businesses and empowering them to advance the industries they serve. Our team looks forward to building on our shared principles to help borrowers achieve their financial goals.*

—**Joe Langer, Former President and CEO of ReverseVision**

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Transaction Rationale

- The acquisition expands CMS' overall footprint and availability of its platforms and services.
- It also expands CMS' digital mortgage ecosystem and capabilities.
- This is CMS' second acquisition in the mortgage space, following the acquisition of LOS and LSS provider Mortgage Builder in 2019.
- The sale consummated a dedicated growth period for ReverseVision, and the transaction marks the next chapter in ReverseVision's evolution.

ReverseVision Overview



- Founded in 2007, ReverseVision serves the industry's top reverse mortgage lenders and 100% of all reverse investors, including banks and credit unions, mortgage brokers, and independent mortgage banks.
- ReverseVision's comprehensive reverse mortgage platform and HECM products leverage integrations and APIs that open the total addressable market, allowing users to originate reverse mortgages alongside their traditional lending portfolios.

Constellation Overview



- Headquartered in Michigan, CMS is a leading provider of mortgage lending technology.
- CMS acquires and invests in financial software companies that provide mission-critical solutions for the mortgage industry.
- CMS is part of the Romulus Group, a portfolio of vertical-market software companies within the Perseus operating group of Constellation Software.

Smart USA to Acquire Stadion Money Management

Houlihan Lokey Case Study

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

Houlihan Lokey served as the exclusive financial advisor to Stadion and assisted in marketing, structuring, and negotiating the transaction with Smart, successfully driving competitive tension and identifying the best partner to Stadion's retirement tech.

Transaction Overview

- 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 product 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 assets under management and gain access to Stadion's 4,000 plans.

Smart Overview



- Founded in 2014, Smart is a global technology business that delivers people-focused retirement solutions.
- As of July 31, 2021, Smart had more than \$2 billion in assets on its platform, serving more than 70,000 retirement plans.
- It offers a broad range of retirement products ranging from self-service retirement income solutions to customized platform options for employers, advisors, and participants.

Stadion Overview



- Stadion is a leading managed account DC technology platform utilizing its proprietary technology.
- It integrates with recordkeepers to offer low-cost personalized retirement solutions on a mass scale within the U.S. retirement plan market.
- It offers both its signature StoryLine managed account solution and tech-only services.
- Stadion 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, plans sponsors, and ultimately their participants.*”

—**Jud Doherty, CEO of Stadion**

Tegra118 to Acquire RetireUp

Houlihan Lokey Case Study

On June 9, 2020, Tegra118, a portfolio company of Motive Partners GP, LLC, announced the closing of its acquisition of RetireUp, LLC, an insurance technology business focused on the retirement planning industry.

Houlihan Lokey served as the exclusive financial advisor to RetireUp and assisted in marketing, structuring, and negotiating the transaction with Motive Partners, successfully navigating a challenging market environment amid COVID-19.

Transaction Overview

- This was a step forward in expanding Tegra118's insurance wealth advisory practice, offering a new financial tool to its vast network of clients.
- Joining an established leader in the wealth management industry will allow RetireUp to expand its footprint and offer new products to its growing customer base.
- Tegra118 is committed to delivering powerful solutions that set a new standard.

“*Since 2012, RetireUp has supported insurance broker-dealers with a focus on annuity and financial planning advice. Joining forces with Tegra 118, an established leader in the wealth management industry... Our combined offerings give Tegra 118 an edge in addressing the growing market for lifetime income solutions.*

—**Michael Roth, President of RetireUp**

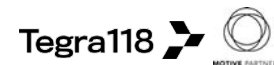
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Transaction Rationale

- The acquisition of RetireUp will accelerate and advance Tegra118's wealthtech platform.
- Combined, the two companies will bring unique strengths to the industry through proven, mission-critical technology that helps advisors enrich their client relationships through innovative, impactful solutions.
- RetireUp's solutions also transform complex financial concepts into easy-to-understand, “big-picture” visuals. The combined firm will help advisors enrich their client relationships with powerful retirement income planning through a seamless, modern experience.

Tegra118 Overview

- Leading provider of software solutions to the wealth and asset management industry with a vast network of broker-dealers, asset managers, custodians, and trading interfaces.
- Tegra118's technology platform provides portfolio management, trading, accounting, rebalancing, and reporting for managed accounts.



- Formerly Fiserv Investment Services, Motive Partners, a specialist private equity firm with offices in New York City and London, acquired a 60% stake in February 2020.
- Motive Partners is focused on technology-enabled businesses and financial services companies.

RetireUp Overview



- Founded in 2013 by a team of financial advisors, RetireUp boasts nimble and efficient software and simulations that make it easy for advisors to assess a client's needs for specific lifetime income products (such as annuities and life insurance).
- Unique solutions also transform complex financial concepts into easy-to-understand, “big-picture” visuals so advisors can help investors become active participants in their own financial futures.
- Headquartered in Illinois, the entire RetireUp team joined Tegra118.

Retirement and Wealth Management Transactions

Extensive Global Retirement and Wealth Experience

Select Wealth Management Related Engagements

TIEDEMANN ADVISORS **ALUARIUM**

TIG ADVISORS

has completed a business combination with

CARTESIAN
growth corporation

to form

ALUARIUM TIEDEMANN AITi

Capital Markets Accounting & Reporting Advisor

...Saltus

has received significant investment from

PRESERVATION CAPITAL PARTNERS

Financial Advisor

Ascot Lloyd
a portfolio company of funds managed by

OAKTREE
and
ARES

has been acquired by
NORDIC CAPITAL

Sellside Advisor

VISTRIA

has made a strategic partnership in and recapitalization of

TMG
THE MATHER GROUP

\$8.0 billion AUM Wealth Manager

Financial Advisor

CARDALE Asset Management
Investment management - stockbroking - financial planning

has been acquired by

TITAN
Wealth

Sellside Advisor

stadion

a portfolio company of

TA ASSOCIATES

has been acquired by

Smart

Sellside Advisor

WREN STERLING

a portfolio company of

Palatine

has been acquired by

LIGHTYEAR CAPITAL

Sellside Advisor

Ascot Lloyd
a portfolio company of

OAKTREE

has received financing from funds managed by

ARES

Capital Raising

FORMUES-FORVALTNING

has received a partnership investment from

ICG
fund managed by
Investment Partners

Sellside Advisor

Eaton Vance

has been acquired by

Morgan Stanley

Fairness Opinion

SIP
SHARESPOST

has been acquired by

Forge

Sellside Advisor

RetireUp

has been acquired by

Tegra118

a portfolio company of

MOTIVE PARTNERS

Sellside Advisor

ATRIA Wealth Solutions
a portfolio company of

LEE
EQUITY

has acquired

WIS

Financial and Tax Due Diligence

epiris

has acquired through scheme of arrangement

IFG GROUP PLC

£206,000,000

Buyside Advisor

Funds managed by

HELLMAN & FRIEDMAN

have entered into an agreement to combine

Financial Engines
and
EDELMAN FINANCIAL SERVICES

Financial Advisory Services

ATRIA Wealth Solutions
a portfolio company of

LEE
EQUITY

has acquired

NEXT
financial group

Financial and Tax Due Diligence

altegris
a portfolio company of

AQUILINE GENSTAR

has merged with

ARTIVEST

a portfolio company of

KKR **FOUNDERS FUND**

Sellside Advisor*

altegris
a wholly owned subsidiary of

Genworth Financial

has been acquired by

AQUILINE GENSTAR

Sellside Advisor*

Tombstones included herein represent transactions closed from 2013 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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U.S. Retirement Market

Impact From SECURE Act 2.0

The DC market has recently undergone sweeping regulatory changes that will increase savings, most notably requiring employers to automatically enroll employees in retirement plans at a default 3.0% contribution rate.

Recent Market Legislation

- The SECURE Act 2.0 is now law, making it easier to accumulate savings.

AUTO ENROLLMENT

Employees will be automatically enrolled in retirement plans at a minimum default contribution rate of 3.0%, increasing 1.0% yearly to a maximum contribution rate of at least 10.0%, but not more than 15.0%.

EMPLOYER CONTRIBUTIONS FOR STUDENT LOAN PAYMENTS

This allows employers to make matching contributions to an employee's retirement plan based on qualified student loan payments.

AGE INCREASE FOR REQUIRED MINIMUM DISTRIBUTIONS

The age to make required minimum withdrawals from retirement savings is now 73, previously 72, and will move up to 75 in 2033.

EMERGENCY SAVINGS

Penalty-free withdrawals of up to \$1,000 a year from 401(k) savings are now allowed. The withdrawals are tax free if paid back within three years.

CATCH-UP CONTRIBUTIONS

If 50 or older, an additional \$6,500 may be contributed to 401(k) savings on top of the \$20,500. For those aged 60–63, \$10,000, instead of the \$6,500, may be contributed.

SAVER'S CREDIT

A matching contribution of 50% or up to \$1,000 from the federal government will be given to lower-income earners' retirement contributions.

PART-TIME WORKERS

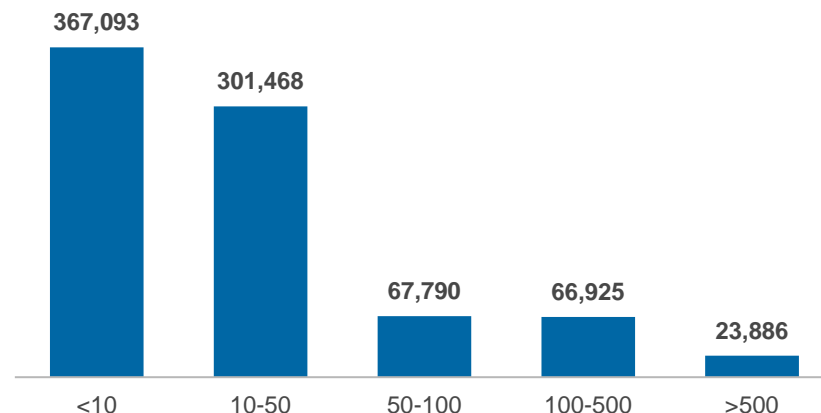
Part-time workers are now allowed to participate in a workplace retirement plan if they have two years of service and work at least 500 hours a year.

Themes Creating Opportunities

Reframe
the
Participant
Experience

- Participants want advice, and companies want diversified revenue, creating synergetic opportunities.
- Supplemental offerings can bolster revenue while increasing client satisfaction:
 - Bundled solutions
 - Decumulation planning
 - In-plan participant advice
 - **Managed accounts**
 - Wellness programs

DC Plans by Number of Participants



U.S. Retirement Market

Overview

Over the past several decades, the U.S. retirement market has shifted from defined benefit (DB) to defined contribution (DC) plans and individual retirement accounts (IRAs), underscoring participants' increased focus on retirement outcome success.

U.S. Retirement Market Overview

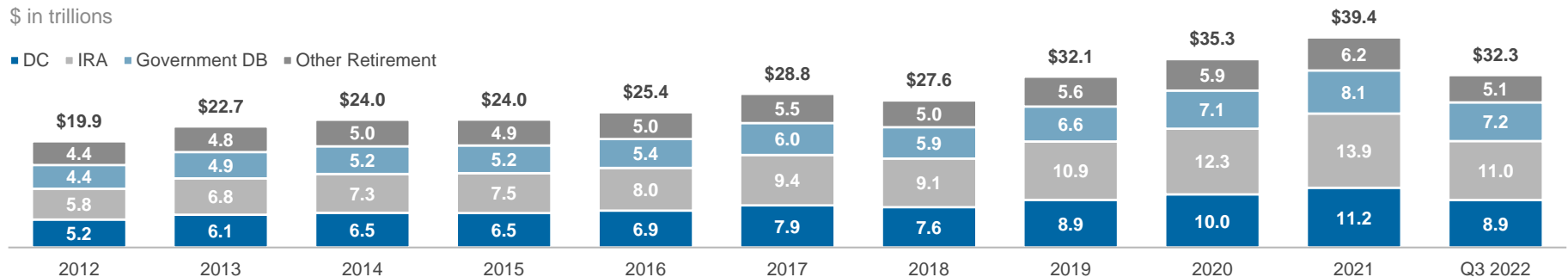
- U.S. retirement assets steadily grew over the past decade, doubling from 2012–2021, with IRAs and DC plans accounting for approximately two-thirds of all U.S. retirement assets.
- Due to recent market and economic conditions, retirement assets have decreased ~10% as of Q3 2022 and are on pace for the first annual decrease since the 2008 financial crisis.
 - The volatility has caused participants to recalibrate their retirement approach toward more tactical strategies capable of taking advantage of market dislocations and seeking professional advice.
- Recently passed SECURE 2.0 legislation has brought a number of benefits to participants, including requiring employers to automatically enroll employees in retirement plans by the end of 2024.

Industry Tailwinds

- Holistic Planning:** Plans are keeping participants longer, broadening the traditional role and goal of just “saving” for retirement but offering an ongoing investment approach pre- and post-retirement.
- Regulation:** The SECURE 2.0 provision will increase savings, ensure greater plan access, and secure retirement income streams.
- Demographics:** Millennials' and Gen Z's workforce percentage continues to increase, shifting investment preferences (e.g., crypto, ESG, self-directed, and alternatives) and expectations.
- Preferences:** Demand for diversification and advice are growing with technological advances, the desire for customization, and professional advice to navigate the uncertain economic outlook.
- Fiduciary:** A focus on income-generating solutions such as annuities pre- and post-retirement may become fiduciary responsibility.

IRAs and DB plans increased from 22% of U.S. retirement assets in 1980 to 62% in Q3 2022, highlighting the **shift in role and responsibility** in allocation of contribution from **the employer to the participant**.

U.S. Total Retirement Assets



U.S. Retirement Market

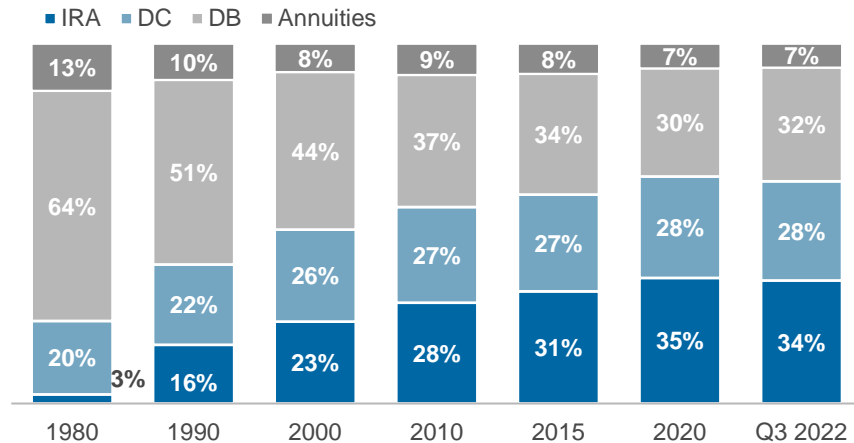
Participant Demographics and Plan Sponsor Role

Approximately two-thirds of all U.S. retirement assets are held in IRAs and DC plans.

Shifting Responsibility Toward the Participant

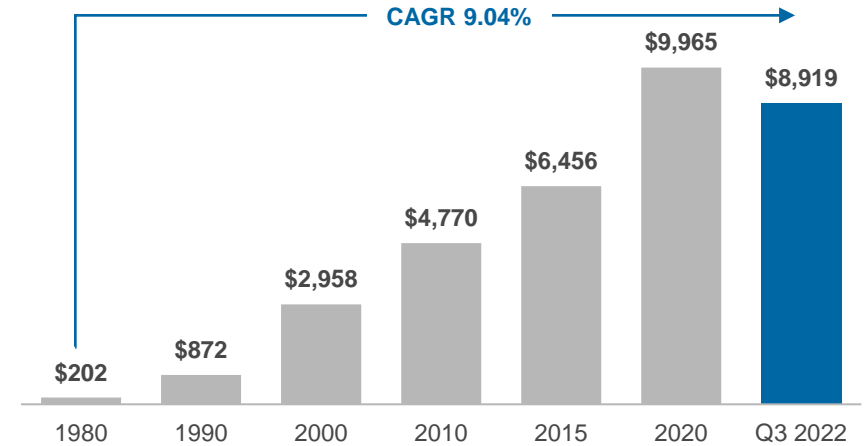
- Forty years ago, IRAs and DC plans accounted for 23% of retirement market assets, while DB plans accounted for more than 60% of assets.
- This shift in responsibility puts the retirement onus on the participant, but participants want some form of advice as they navigate savings.
 - 81% of participants said it would be helpful if employers provided secure income-generating options in workplace plans.
- Plan sponsors have responded in kind, offering a more holistic savings approach:
 - Retirement ecosystems that combine products, professional advice, and tools for participants.
 - Ongoing solutions post-retirement focused on lifetime income and protection against downside risk.

Historical Share of U.S. Market by Plan Type



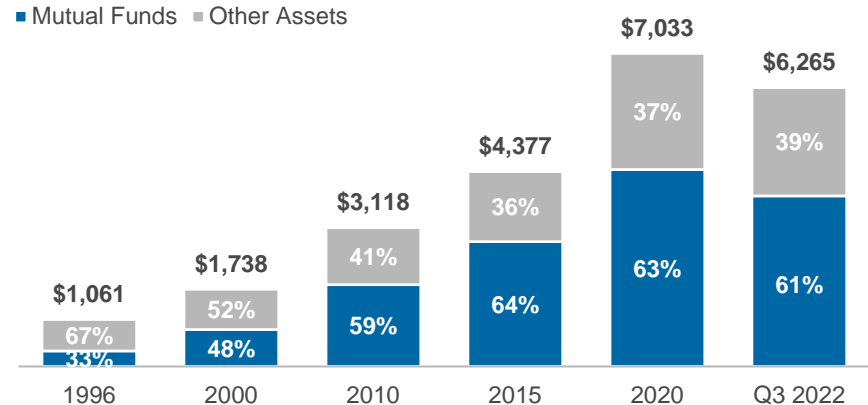
Historical DC Plan Assets

\$ in billions



401(k) Assets by Asset Type

\$ in billions



U.S. Retirement Market

DC Is a Large and Growing Market

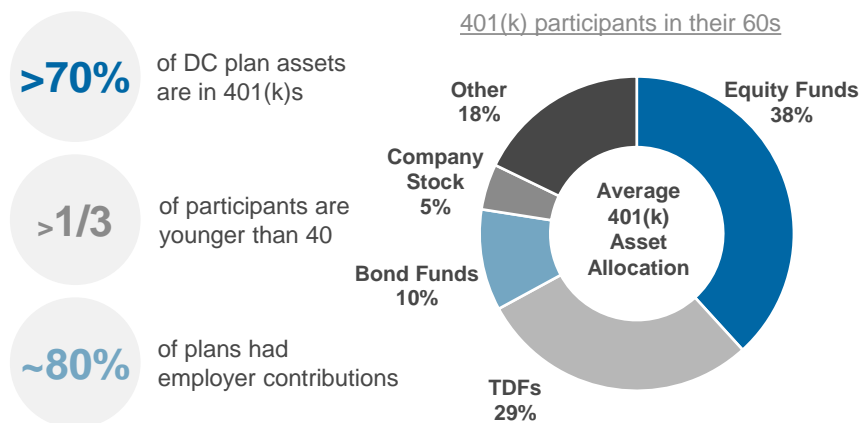
DC Market Overview

- The U.S. DC market is rapidly growing, with \$12.7 trillion projected assets by 2025.
 - As of 2022, ~\$6.3 trillion and ~\$3.3 trillion sit within 401(k) plans and TDFs, respectively.
 - Self-directed assets are projected to grow from market appreciation, increased retirement ages, and regulatory changes.
- Participants are looking to employers for retirement advice from accumulation to decumulation; holistic strategies inclusive of features like a qualified default investment alternative (QDIA), auto enrollment, reenrollment, and financial wellness can better fund plans and help close the savings gap.
- Annuities are gaining popularity as a guaranteed income strategy within TDFs; DC plan consultants are most likely (68%) to recommend TDFs with a guaranteed income component.

Average Asset Allocations

\$8.9 trillion in assets held in DC plans in the U.S. as of Q3 2022

401(k) participants in their 60s



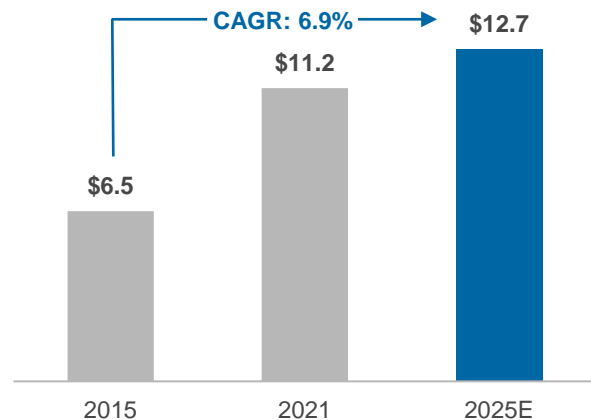
>70% of DC plan assets are in 401(k)s

>1/3 of participants are younger than 40

~80% of plans had employer contributions

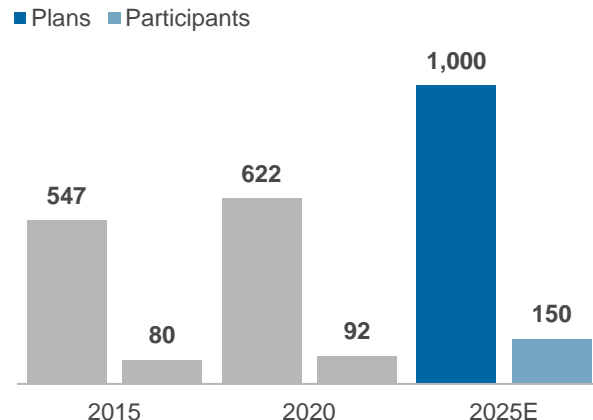
Assets in the DC Market

\$ in trillions



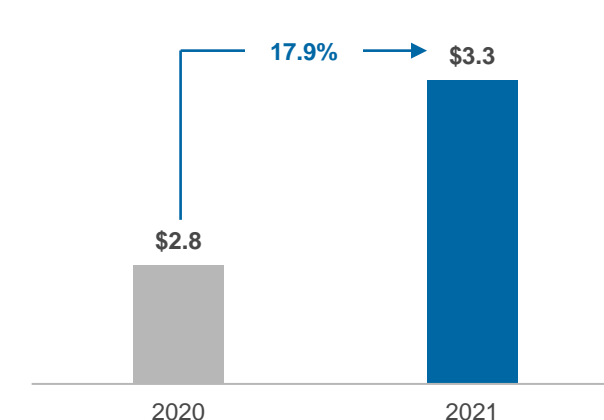
401(k) Plans and Participants

000s



Assets Held in Target Date Funds

\$ in trillions



Sources: BenefitsPRO, Department of Labor, ICI 2022 Fact Book, ICI Quarterly Retirement Market Data Third Quarter 2022, JP Morgan 2021 Defined Contribution Plan Participant Survey, McKinsey & Company's "Long-term value creation in US retirement," Morningstar's "Target-Date Strategy Landscape Report."

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U.S. Retirement Market

Self-Directed Investment Retirement Accounts (SDIRAs)

Emerging as a popular savings vehicle for retirement, SDIRAs are further demonstrating retirement investors' desire for account control and investment flexibility.

Overview

- An SDIRA is a type of IRA that allows for investment in alternative assets, like real estate, cryptocurrency, etc.
- All IRAs, including SDIRAs, are trusts by law. Assets must be held with qualified custodians⁽¹⁾ who act on behalf of the IRA owner.
 - SDIRA LLCs are a type of SDIRA that create an LLC wholly owned by the IRA. This structure allows the IRA owner to manage investments, sign contracts, and write checks on behalf of the IRA/LLC, **eliminating the custodian middleman**.
- Alternative investments come with unique risks for investors to consider, including fraudulent custodians. The IRS reissued Publication 3125 "The IRS does not Approve IRA Investments" to highlight this risk to investors.

Rules and Regulations

- SDIRAs abide by general IRA contribution and distribution rules.
- **Disqualified Persons:** The IRA owner and beneficiaries, family members of the IRA owner, and fiduciaries of the IRA.
- **Prohibited Investments:** Collectibles (excluding various coins and bullions), life insurance, and S corporations.
- **Prohibited Transactions:** Any improper transaction between an IRA and a disqualified person. The rule specifies who someone may transact with, rather than what someone may invest in, to curb self-dealing and improper tax treatment.
 - Prohibited transactions involving the IRA owner will result in disqualification, 100% distribution, and any related tax penalties.

Benefits

- SDIRAs are like traditional and Roth IRAs in that they are tax-advantaged accounts for retirement.
- They are more **suitable for sophisticated investors**, as the investment options have higher, more complex risk profiles and should be scrutinized with a higher degree of due diligence.
- Investors look to **SDIRAs for increased returns and diversification**; they want more control over their accounts and more freedom to choose investments.

Other Considerations

- **Custodial SDIRA or SDIRA LLC:** The LLC accelerates the investment lifecycle, avoiding investment authorizations through custodians, and is the most effective type of SDIRA for time-sensitive, transaction-heavy investments like cryptocurrency.
- **Financing:** Investors can borrow against their SDIRAs if the loan is a non-recourse mortgage loan in the name of the SDIRA, collateralized by the property purchased.
- **Taxes:** SDIRAs receive the same capital gains tax treatment as normal IRAs but can incur unrelated business income tax.
- **Advice:** Legal and tax questions are more complex with SDIRAs. Investors should consult advisors, use facilitators, or seek custodians with more expertise in these areas.

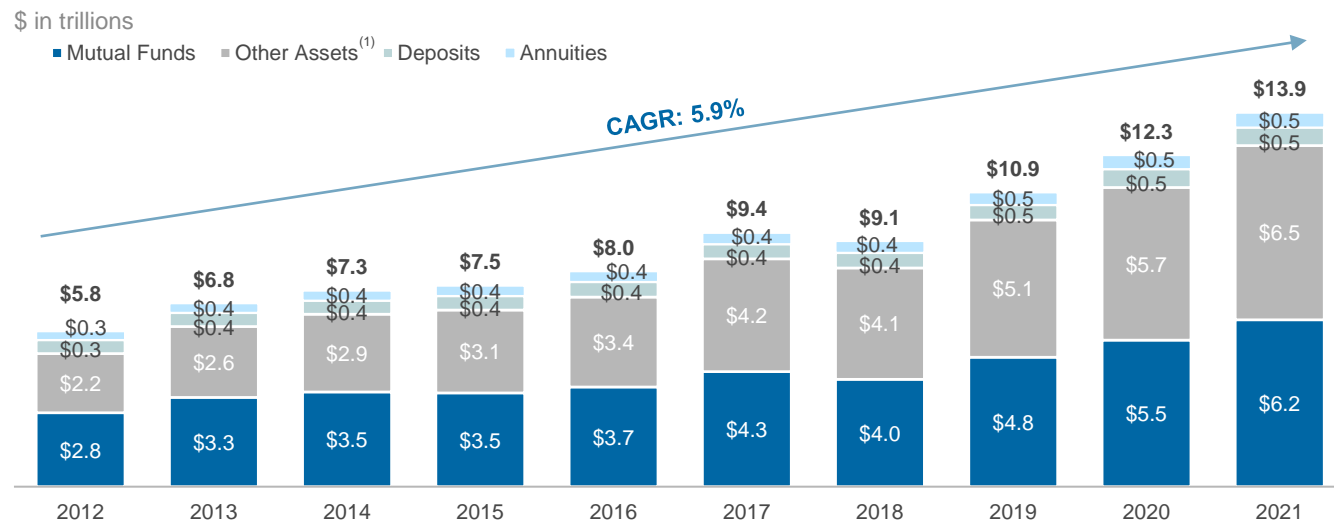
U.S. Retirement Market

IRA Assets

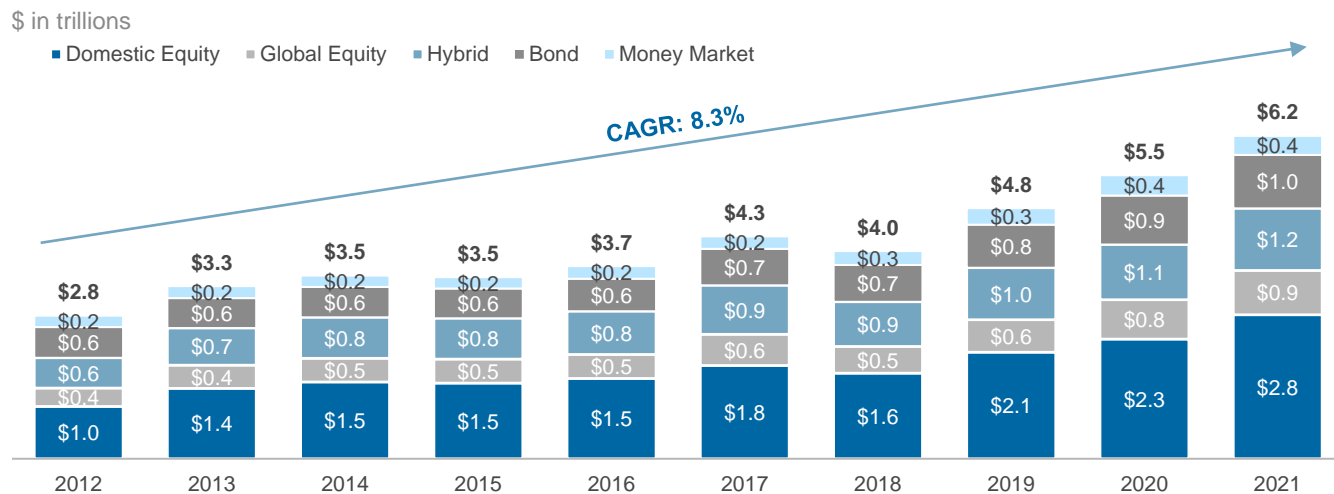
Overview

- Total IRA assets have steadily grown over the past decade and now account for more than one-third of all U.S. retirement assets.
- IRAs continue to be the fastest-growing segment of the retirement market.
- Allocations within IRAs are shifting from mutual funds into other assets that have a 10-year CAGR of approximately 8.8%, more than doubling from \$2.2 trillion to \$5.1 trillion.
- The gap between “traditional” retirement assets and alternatives continues to widen as consumers demand more varied investments for their retirement funds.
- SDIRAs are well positioned to capitalize on this new consumer demand by providing alternative investment options, such as real estate, private placement, precious metals, and crypto.

IRA Assets by Asset Type



IRA Mutual Fund Holdings by Type



Source: ICI Quarterly Retirement Market Data Third Quarter 2022.

(1) Other assets includes individual stocks, individual bonds, closed-end funds, ETFs, and other assets held through brokerage or trust accounts.

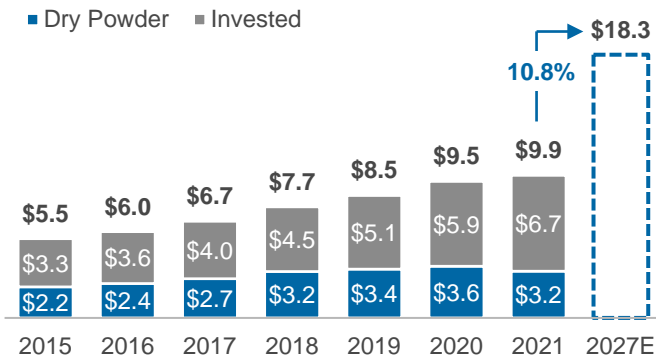
U.S. Retirement Market

Alternative Assets

SDIRAs will be the vehicle of choice for those who want access to more aggressive retirement fund growth than traditional methods allow.

Ongoing Market Expansion	<ul style="list-style-type: none"> From 2015 to 2022, AUM across all alternative asset classes increased at a CAGR of 9.0%. <ul style="list-style-type: none"> As of the end of 2022, AUM stood at \$13.4 trillion and is expected to reach \$23.3 trillion in 2026 for a CAGR of 14.8%. Despite setbacks in recent months, the cryptocurrency market cap and fund AUM show strong annual growth rates relative to other retirement assets.
Democratizing Access	<ul style="list-style-type: none"> Traditional alternatives like buyout and hedge funds are largely limited to wealthy, sophisticated investors due to large investment minimums and regulatory requirements. New models allow platforms to offer alternative asset investments to nonaccredited investors, often with a low or even no minimum investment.
New Segments	<ul style="list-style-type: none"> Private markets have expanded beyond traditional PE, VC, hedge funds, and real estate to include real assets, cash-flow-based financing, direct lending, and crypto. The broadening market increases affinity with retail investors and opens opportunities for diversification into assets less correlated with public equities.
New Modalities	<ul style="list-style-type: none"> New methods of fractionalization indicate that just about any real asset can become an investment; Lamborghinis, Basquiats, and racehorses are just examples of this phenomenon.
Increased Liquidity	<ul style="list-style-type: none"> Increased retail access, novel fund structures, and open marketplaces provide new opportunities for investors not willing to accept a typical five-year lockup.

Private Capital AUM

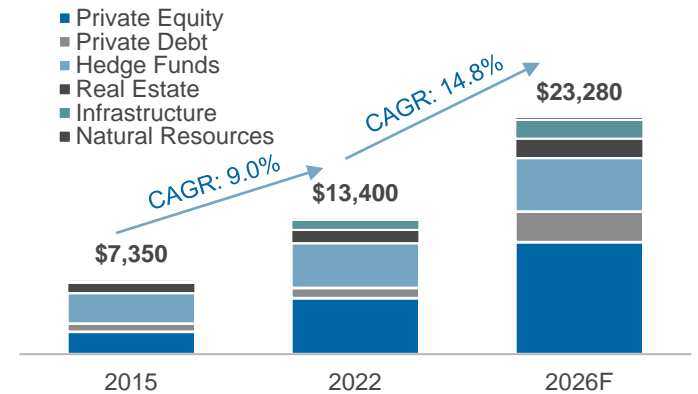


\$11.0T
 IRA Total AUM

\$330B–\$440B
 IRA Funds Invested in
 Alternative Assets⁽¹⁾

10,000
 Baby Boomers Retiring
 Per Day

Alternative Investment AUM














Sources: PitchBook, Preqin.
 Note: All chart data in billions.

(1) Assumes 3%–4% of IRA assets are invested in alternatives.

SDIRA Landscape

The rising prevalence of SDIRAs in the retirement market makes firms offering SDIRA services attractive investment targets.












Company	Notable Facts/Business Description
 Advanta IRA	Third-party administrator of SDIRAs focused on real estate investments, with approximately 25 employees and \$2 billion in AUM
 ALTO	Third-party administrator of SDIRAs with approximately \$1 billion in AUM; received \$40 million in growth funding in January 2022
 American IRA <small>Self-Directed IRAs and 401Ks</small>	Third-party administrator of self-directed IRA retirement accounts, with approximately 25 employees
 BitcoinIRA	First full-service platform enabling digital investments in IRAs; 150,000 users on the platform and \$1.5 billion in transactions processed
 BROAD FINANCIAL	Facilitator of SDIRAs serving 15,000 clients in all 50 states with 15–20 employees
 CamaPlan <small>A Different Way to Invest</small>	Third-party administrator of SDIRAs with nearly 20 years of organizational experience and 15–20 employees
 DIRECTED IRA <small>by Directed Trust Company</small>	SDIRA custodian offering full-service retirement and pension services with a focus on self-directed retirement accounts
 The Entrust GROUP	Third-party administrator of SDIRAs and tax-advantaged plans serving 22,000 clients with approximately \$4 billion in AUC ⁽¹⁾
 EQUITY TRUST	SDIRA custodian serving more than 130,000 clients in all 50 states, with approximately \$12 billion in AUM and \$34 billion in AUC ⁽¹⁾
 GOLDSTAR TRUST COMPANY	SDIRA custodian primarily focused on bond issuances, serving more than 37,000 clients with more than \$2.7 billion in AUC ⁽¹⁾
 IRA FINANCIAL	Facilitator of SDIRAs that has helped more than 23,000+ clients invest \$5.3 billion in alternative assets

Sources: Industry news reports and research.

(1) "AUC" stands for assets under custody.

SDIRA Landscape (cont.)

The rising prevalence of SDIRAs in the retirement market makes firms offering SDIRA services attractive investment targets.

Company	Notable Facts/Business Description
 iraLogix	Open architecture technology platform for IRA businesses, custodians, and advisors; received \$22 million Series C funding in 2022
 iTRUSTCAPITAL	Developer of crypto, gold, and general digital asset IRA trading platform; received \$130 million Series A funding in 2022
 MADISON TRUST COMPANY	SDIRA custodian serving thousands of client across all 50 states, with approximately 40 employees and more than \$1.5 billion in AUC ⁽¹⁾
 Mainstar Trust	SDIRA custodian with more than 40 years of organizational experience and approximately \$8.5 billion in AUC ⁽¹⁾
 MIDLAND TRUST	SDIRA custodian and third-party administrator with more than 25 years of organizational experience, serving 17,000 clients
 MILLENNIUM TRUST COMPANY ABOVE AND BEYOND CUSTODY	SDIRA custodian with approximately 5.2 million individual client accounts (2.7 million IRAs) and \$51 billion in AUC ⁽¹⁾ (\$25 billion in IRAs)
 New Direction TRUST COMPANY	SDIRA custodian that offers supplemental retirement and educational services and manages 51,000 accounts and \$3 billion in assets
 nuVIEW TRUST COMPANY	SDIRA custodian and third-party administrator serving professionals and individuals with more than \$2 billion in AUC ⁽¹⁾
 QUEST TRUST COMPANY	SDIRA custodian focused on real estate, oil and gas, and promissory notes, serving more than 18,000 clients
 ROCKETDOLLAR™	Facilitator of SDIRAs with an alternative retirement investment platform; raised \$8.05 million Series A in 2021
 SLAVIC401K	Retirement savings solutions provider for small businesses, with 35 years of organizational experience and approximately 125 employees
 uDirect IRA Services, LLC	Third-party administrator with less than 10 employees, providing complete and accurate information on SDIRAs

Sources: Industry news reports and research.

(1) "AUC" stands for assets under custody.

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Retirement Market

Key Trends in M&A

Retirement businesses continue to be M&A and capital-raise targets across varying segments of the financial services industry, as tailwinds continue industry consolidation.

Factors Influencing Consolidation

Continued Interest in Retirement Assets



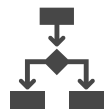
- Innovative companies are disrupting the retirement market with newfound technology and ways to reach the end participant; these innovators have caught the attention of PE firms and large traditional recordkeepers.
- Consolidation continued throughout 2022 among large recordkeepers and aggregators. The marketplace remains fragmented, and consolidation is expected to continue, especially among large players.

Public Valuation Driving Private Opportunities



- The uptick in markets over recent years drove multiples for traditional asset managers to levels not seen since 2017.
- Recent declines in broad market multiples, following a period of significant multiple expansion post-COVID-19 through the third quarter of 2021, presents M&A opportunities.
 - Loss-making companies are being acquired for technological assets and experienced teams (MS/Bloom).

In-Plan Customization



- User-friendly, customized experiences are differentiators in a market where employees need unique financial support. (With continued technological advancement, differentiators are becoming the standard.)
- Linear retirement spending plans do not grant consumers the same degree of choice as contemporary, personalized plans, and providers are increasingly needing to make their platforms more dynamic.
 - Providers operating on legacy platforms are facing a “buy-or-build” decision.

Tech Solutions: Buy or Build



- Robo-retirement platforms leverage industry-leading technology and massive amounts of data to provide financial advice and manage customers’ investment portfolios at a fraction of the cost of a traditional advisor.
- Large players are looking to modernize their technology infrastructure and deliver savings in cost-to-serve in an increasingly competitive market. They are deciding whether to outsource tech functions to drive benefits that M&A solutions would typically provide.

PE Involvement Remains High



- Most active strategic acquirers are backed by prominent private equity firms. Roll-up strategies remain in place as smaller deals, under \$500 million total AUM/A, are driving recent M&A activity.
- There is still ample dry powder within private equity and private-equity-backed acquirers, being deployed on attractive targets, especially those that fit within core M&A strategies.

Market Map

Retirement Market

There is significant market opportunity supported by a wealth of strategic players covering various segments of the retirement space.

Traditional Recordkeepers



Aggregators



Robo-Retirement/WealthTech/SDIRAs



Customization



Newer Turnkey Entrants



Lifetime Income/Annuities



U.S. Retirement Market

Recordkeeper Industry Benchmarking

The recordkeeper landscape features a handful of large players, with the top 10 having administrative control over more than 80% of assets.

Recordkeeper Highlights

- Recordkeepers provide administrative services for more than \$10 trillion of DC assets, with the top 10 recordkeepers holding more than \$8.5 trillion plan assets, 235,000 plans, and 85.5 million participants.
- Fidelity accounts for nearly 40% of all DC record-keeping assets, while the top five providers account for nearly 80%.
- The top 10 recordkeepers average \$850 billion in assets, 23,500 plans, and 8.6 million participants.
- The top 10 recordkeepers have remained largely static in terms of rankings over the past year.

Top 10 Recordkeepers by Assets

\$ and participants in millions

Rank	Provider	Assets	Plans	Participants
1	Fidelity Investments	\$3,356,078	34,361	27.9
2	Empower	1,392,732	67,473	16.1
3	TIAA	734,569	23,527	6.6
4	Vanguard	672,619	1,696	4.8
5	Alight Solutions	543,300	2,022	4.5
6	Principal Financial Group	514,628	45,754	10.9
7	Voya Financial	510,667	51,905	6.3
8	Bank of America Corporation	283,701	845	4.8
9	T. Rowe Price	277,919	6,905	2.3
10	Schwab Retirement Plan Services, Inc.	250,538	1,134	1.5
Total		\$8,536,751	235,622	85.5
Mean		853,675	23,562	8.6
Median		528,964	15,216	5.6

Top 10 Recordkeepers by Plans Added⁽¹⁾

Actuals

Rank	Provider	Plans Added	Total Plans	Plans Added % of Total
1	Paychex, Inc.	20,290	100,137	20.3%
2	ADP Retirement Services	17,678	70,033	25.2%
3	Ascensus	11,049	52,391	21.1%
4	Capital Group, home of American Funds	7,142	63,035	11.3%
5	John Hancock	6,220	51,610	12.1%
6	Principal Financial Group	4,344	45,754	9.5%
7	Transamerica Retirement Solutions LLC	4,041	27,234	14.8%
8	Empower	3,886	67,476	5.8%
9	Fidelity Investments	1,993	34,361	5.8%
10	T. Rowe Price	1,193	6,905	17.3%
Total		77,836	518,936	15.0%
Mean		7,784	51,894	14.3%
Median		5,282	52,001	13.4%

Source: PLANSPONSOR, data as of Q2 2022.

(1) New plans added in 2021.

Robust Retirement M&A Market

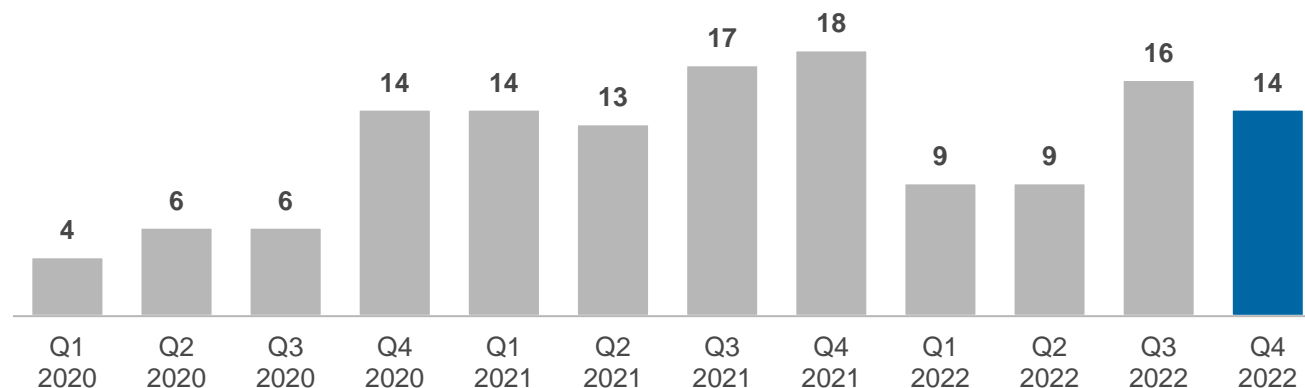
Ongoing Consolidation

M&A activity within the retirement space continues to grow, with increased activity from serial acquirers.

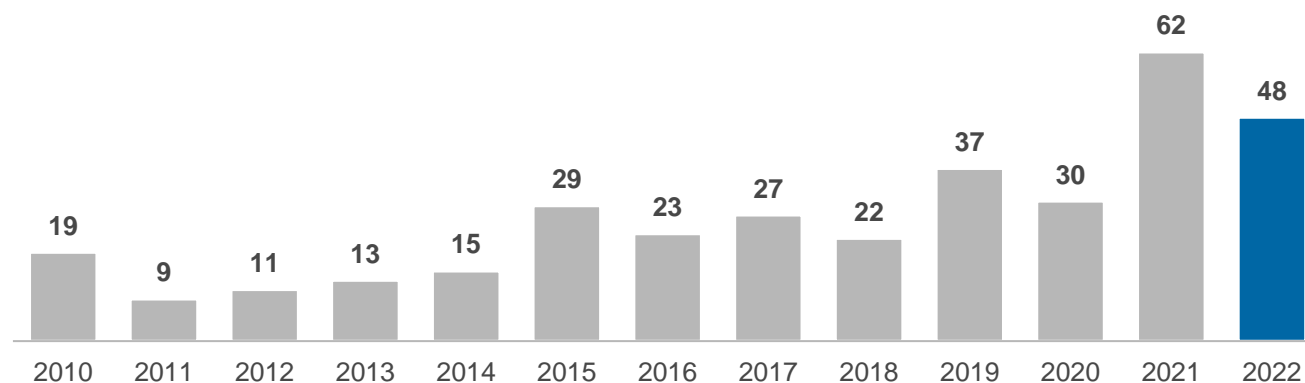
Market Dynamics

- The Russia-Ukraine conflict, COVID-19 pandemic, and ensuing supply chain and inflationary market pressures have not scared away buyers.
- Interest in quality retirement platforms remains high and 2022 pipelines remain active.
- Serial acquirers continue to execute on their growth strategies and are increasingly focused on acquiring firms in key geographies, with top-tier talent, to create regional hubs.
- There is market buy-in regarding the retirement roll-up and conversion strategy; over the next few years, it will be critical to see if large acquirers can effectively integrate targets, convert assets, and support historic valuation levels.

Retirement Market Quarterly M&A Activity





























Retirement Market M&A Activity



Valuation

Recent Select Retirement Transaction Activity

\$ in millions

Announced Date	Company	Activity	Target	Amount	Target Subvertical/Investor(s)
January 2023	BlackRock.	Minority Inv.	 Human Interest	\$500	New Turnkey Entrant
January 2023	 ALERAGROUP	Buys	The Ascent Group	--	RIA/Retirement Business
December 2022	Morgan Stanley	Buys	 bloom	--	Pension Fund Admin
November 2022	 MADISON DEARBORN PARTNERS	Buys	 M&T Bank	--	CIT Provider
November 2022	 VOYA FINANCIAL	Buys	Benefitfocus	600	Benefits Provider
October 2022	 CAPTRUST	Buys	 Patriot Pension Advisors	--	Retirement Business
October 2022	 SAGE VIEW	Buys	 Lakeview Health Management	--	Retirement Business
September 2022	 VISTRIA	Buys	 Flores	--	Hybrid Health/Wealth
August 2022	 ALERAGROUP	Buys	 Johnson BRUNETTI RETIREMENT & INVESTMENT SPECIALISTS	--	Retirement Business
August 2022	 HUB	Buys	 WealthPlan Advisors RETIREMENT & INVESTMENT PLAN CONSULTING	--	Retirement Consulting
July 2022	 Smart Pension	Capital Raise	N/A	40	New Turnkey Entrant CIBC Innovation Banking
June 2022	 UMB	Buys	 OLD NATIONAL	--	HSA ⁽¹⁾ Provider
June 2022	 SAGE VIEW	Buys	 kPlans	--	Retirement Plan Consulting
June 2022	 ENVESTNET	Buys	 401kplans.com	--	Robo-Retirement
June 2022	 HUB	Buys	 GI ADVISORY SERVICES	--	Retirement Plan Consulting
April 2022	 MILLENNIUM TRUST COMPANY ABOVE AND BEYOND CUSTODY	Buys	PAYFLEX	--	Retirement Plan Consulting

Sources: Crunchbase, PitchBook, SNL Financial, S&P Capital IQ, public filings.




























(1) "HSA" stands for health savings account.

Houlihan Lokey Advised Transaction Private-Equity-Backed

Valuation

Recent Select Retirement Transaction Activity (cont.)

\$ in millions

Announced Date	Company	Activity	Target	Amount	Target Subvertical/Investor(s)
March 2022	 EPIC	Buys	 CLEVELAND HAUSWIRTH — Investment Management —	--	Retirement Plan Consulting
March 2022	 Goldman Sachs Asset Management	Buys	 nextcapital	\$7,159	Customization
March 2022	 WORLD	Buys	 Pensionmark	--	Aggregator
February 2022	 Pontera formerly FeeX	Capital Raise	N/A	80	Customization Founders Kitchen/ThirdStream Partners
February 2022	 Webster Bank	Buys	 bend	--	Fintech—HSA ⁽¹⁾ Provider
February 2022	Morgan Stanley	Buys	 CS COOK STREET CONSULTING	--	Retirement Business
February 2022	 CONSTELLATION MORTGAGE SOLUTIONS	Buys	 ReVerse VISION	--	Mortgage Software Solutions
February 2022	Management Team	Buys	 Intech	--	Pension Fund Manager
January 2022	 CREATIVE PLANNING	Buys	 RFA	--	Retirement Business
January 2022	 NFP	Buys	 afs	--	Retirement Business
January 2022	 Smart Pension	Buys	 stadion	--	Managed Account Provider
December 2021	 SAGE VIEW	Buys	 Capital One	--	WealthTech
November 2021	 ascensus®	Buys	 NEWPORT GROUP	--	Retirement Business
October 2021	 Smart Pension	Capital Raise	N/A	225	New Turnkey Entrant DWS Group
August 2021	 Principal™	Buys	 WELLS FARGO	1,200	Retirement Business
August 2021	 Human Interest	Capital Raise	N/A	200	New Turnkey Entrant TPG, SoftBank, Consortium

Houlihan Lokey Advised Transaction Private-Equity-Backed
















Sources: Crunchbase, PitchBook, SNL Financial, S&P Capital IQ, public filings.

(1) "HSA" stands for health savings account.

Valuation





Recent Select Retirement Transaction Activity (cont.)

\$ in millions

Announced Date	Company	Activity	Target	Amount	Target Subvertical/Investor(s)
July 2021	 Vestwell	Capital Raise	N/A	\$60	New Turnkey Entrant Wells Fargo, Fin Venture, Consortium
July 2021	 EMPOWER RETIREMENT	Buys	 Prudential	3,550	Traditional Recordkeeper
July 2021	 Vanguard	Buys	 Just Invest	--	Custom Indexing
June 2021	 Guideline	Capital Raise	N/A	200	New Turnkey Entrant General Atlantic
January 2021	 AQUILINE CAPITAL PARTNERS LLC	Buys	 SAGE VIEW	--	Retirement Plan Consulting
November 2020	BlackRock.	Buys	 aperio	1,050	Custom Indexing
September 2020	nextcapital.	Capital Raise	N/A	30	Customization Francisco Partners, Oak HC/FT, IA Capital
June 2020	GTCR	Minority Inv.	 CAPTRUST	--	Aggregators 25% stake
June 2020	Tegra118 	Buys	 RetireUp	--	Retirement Business
June 2020	 EMPOWER RETIREMENT	Buys	 personal CAPITAL	1,000	Retirement Business
February 2017	 bloom	Capital Raise	N/A	9	Robo-Retirement/WealthTech QED, Commerce Ventures, Consortium



Select Company Profiles

Traditional Recordkeepers

Company	Location	Company Description
	<p>Pittsburgh, PA Founded: 2018</p>	<ul style="list-style-type: none"> ▪ Overview: Technology-enabled financial services holding company that offers retirement plan administration, brokerage, advisory, trust, and custody solutions. <ul style="list-style-type: none"> ▪ Three main subsidiaries: American Trust, Mid-Atlantic Capital Group, and NewEdge Capital Group. ▪ M&A and Capital-Raise Activity: PensionPro, a provider of TPA workflow automation software (Apr. 2021), received \$3.78 million in funding from Parthenon Capital (Jan. 2021); Unified Trust Company, a national retirement plan provider and fiduciary (Nov. 2020); and Goss Advisors, a New Orleans–based RIA (Oct. 2020). ▪ Other Information: EdgeCo has more than \$130 billion in AUM and approximately 500 employees.
	<p>Pittsburgh, PA Founded: 1983</p>	<ul style="list-style-type: none"> ▪ Overview: Mid Atlantic Trust Company is a non depository state-chartered trust company designed to complement the services of Mid Atlantic Institutional Shares, Inc. <ul style="list-style-type: none"> ▪ Currently offers directed trustee, custody, sub-custody, paying agent, and reporting services for the retirement and trust space. ▪ M&A and Capital-Raise Activity: The company received \$125 million of debt financing from Antares Capital, Madison Capital Funding, and NXT Capital in April 2022. ▪ Other Information: The company has more than 100 employees and is owned by EdgeCo.
	<p>Greenwood Village, CO Founded: 1891</p>	<ul style="list-style-type: none"> ▪ Overview: Owner and operator of a retirement plan services business. The company is engaged in the business of handling corporate and state government retirement plans. Assists over 17 million customers and over 70,000 organizations administer over \$1.2 trillion in plan assets ▪ M&A and Capital-Raise Activity: The company was formed through the merger of Great-West Financial Retirement Plan Services, Great-West Retirement Services and the retirement business of Putnam Investments on October 30, 2014. ▪ Other Information: The company has more than 7,120 employees
	<p>Washington, D.C. Founded: 1972</p>	<ul style="list-style-type: none"> ▪ Overview: Financial services company focusing on providing retirement plans, education, investments, and advice to public employees. <ul style="list-style-type: none"> ▪ 457 and 401(k) plans, TDFs, stable value, target-risk funds, retirement health savings, and lifetime income funds. ▪ Serves more than 1.5 million participant accounts and approximately 9,800 plans across the U.S. ▪ Other Information: MissionSquare has approximately \$74 billion in AUM and more than 800 employees.





Select Company Profiles

Traditional Recordkeepers (cont.)

Company	Location	Company Description
	Philadelphia, PA Founded: 2001	<ul style="list-style-type: none">▪ Overview: Leading conflict-free retirement plan recordkeeper.<ul style="list-style-type: none">▪ Offers retirement plans to businesses, school districts, municipalities, nonprofits, and individuals.▪ Operates with all custodians and data integrators.▪ Other Information: PCSRetirement has 281 employees.
	New York, NY Founded: 1918	<ul style="list-style-type: none">▪ Overview: Specializes in providing retirement plans, IRAs, mutual funds, and life insurance.<ul style="list-style-type: none">▪ Provides a sustainable retirement system for people in academic, governmental, cultural, and other nonprofit fields.▪ Offerings include annuities, IRAs, mutual funds, brokerage accounts, and managed accounts.▪ M&A and Capital-Raise Activity: 24Storage AB, a system that offers storage facilities for individuals and corporations (Nov. 2021), and 95 Express, a provider of responsive, cost-effective, on-time, and environmentally safe transportation solutions (Dec. 2019).▪ Other Information: TIAA has \$1.3 trillion in AUM and more than 10,000 employees.

Select Company Profiles

Aggregators

Company	Location	Company Description
 CAPTRUST	Raleigh, NC Founded: 1986	<ul style="list-style-type: none">▪ Overview: Provider of investment research and advisory services, specializing in offering retirement plan and investment advisory services to plan fiduciaries, executives, and high-net-worth individuals.<ul style="list-style-type: none">▪ Provides fiduciary process management, discretionary investment management, financial and estate planning, wealth planning, wealth management, and risk management services.▪ M&A Activity: Crescent Capital Consulting, a provider of consulting services (Jan. 2022); Portfolio Evaluations, a provider of institutional investment and retirement plan consulting services (Dec. 2021); and Rinet Company, a provider of wealth and investment management services (Nov. 2021).▪ Other Information: The company has approximately 47 employees.
 HUB	Chicago, IL Founded: 1998	<ul style="list-style-type: none">▪ Overview: Full-service global insurance brokerage and financial services firm providing risk management, insurance, employee benefits, and retirement and wealth management products and services.<ul style="list-style-type: none">▪ Hub Retirement and Private Wealth (RPW) offers institutional and retirement services to for-profit and not-for-profit organizations and customized private wealth management services to individuals and families.▪ M&A Activity: Serial acquirer of insurance, wealth, and retirement firms, having completed more than 100 acquisitions since 2021.▪ Other Information: Hub has more than 15,000 employees and 530 offices across North America.
 Mariner WEALTH ADVISORS	Overland Park, KS Founded: 2006	<ul style="list-style-type: none">▪ Overview: Provider of personal financial planning, reporting, consulting, and investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities.<ul style="list-style-type: none">▪ One of the fastest growing wealth managers, with approximately \$60 billion in AUM/A.▪ M&A Activity: Completed eight acquisitions in 2022.▪ Other Information: Mariner has more than 1,000 employees and more than 75 locations across the U.S.
 ONEDIGITAL	Atlanta, GA Founded: 2000	<ul style="list-style-type: none">▪ Overview: Provides brokerage, risk management, consulting, and employee benefits insurance products and services to employers, employees, individuals and families, agencies/alliance, small and mid-sized businesses, and individuals in the United States.<ul style="list-style-type: none">▪ The company has more than 100,000 customers and 165 offices nationwide. Majority-owned by Onex Corporation.▪ M&A Activity: OneDigital completed seven wealth acquisitions in 2022.▪ Other Information: The company has approximately \$107.8 billion AUM/A.





Select Company Profiles

Aggregators (cont.)

Company	Location	Company Description
	Overland Park, KS Founded: 2017	<ul style="list-style-type: none">▪ Overview: Provider of financial services intended for individuals and corporate clients.<ul style="list-style-type: none">▪ Offers full-service financial planning, including fee-based asset management and wealth management, retirement plan advisory services, and plan participant education.▪ M&A and Capital-Raise Activity: LNC Partners sold its 20% stake in the company to an undisclosed buyer (May 2021), which received an undisclosed amount of development capital from LNC Partners (Oct. 2019).▪ Other Information: The company has approximately 158 employees.
	Newport Beach, CA Founded: 1989	<ul style="list-style-type: none">▪ Overview: Investment management and management consultant firm that helps companies create new plans, and revise existing plans, and assists with compliance, communication, and process development.<ul style="list-style-type: none">▪ Helps plan strategies meet sponsor objectives and create funding, expense, and income replacement projections for plans.▪ Provides due diligence on plan mergers and acquisitions, prepares sustainability studies, and assists with numbers for labor negotiations.▪ Other Information: The company has approximately 148 employees.





Select Company Profiles

Robo-Retirement/WealthTech/SDIRAs

Company	Location	Company Description
	Irvine, CA Founded: 2008	<ul style="list-style-type: none">▪ Overview: Mobile application designed to automate micro-investments into ETFs. Uses a proprietary financial engine that features the ability to round up spare change from everyday purchases to invest into a professionally managed portfolio of index funds.<ul style="list-style-type: none">▪ The company also provides debit card, personal checking, investment, and retirement accounts, enabling users to invest small amounts of money from spare change every day.▪ M&A and Capital-Raise Activity: Raised \$300 million of Series F venture funding in a deal led by TPG in 2022, putting the company's pre-money valuation at \$1.5 billion.▪ Other Information: Acorns has more than 300 employees.
	Westlake, OH Founded: 2003	<ul style="list-style-type: none">▪ Overview: Equity Trust is a provider of self-directed IRAs and 401(k)s, with more than 130,000 clients in all 50 states.<ul style="list-style-type: none">▪ Fulfills the custodial and administrative duties required for each type of investment account a person holds.▪ Clients can diversify their retirement plans into assets such as real estate, private placements, notes, deeds of trust, tax liens, and foreign currency.▪ Other Information: The company has \$12 billion of AUM and more than 300 employees.
	Chicago, IL Founded: 2015	<ul style="list-style-type: none">▪ Overview: Halo Investing is a multi-issuer technology platform that provides advisory services to investment management companies.<ul style="list-style-type: none">▪ Offers advisors and investors access to structured notes, market-linked CDs, buffered ETFs, and annuities and has a suite of tools to analyze, customize, execute, and manage the most suitable protective investment product for a portfolio.▪ M&A and Capital-Raise Activity: Raised \$103 million of Series C venture funding in 2018, led by Owl Capital at a pre-money valuation of \$600 million.▪ Other Information: Headquartered in Chicago with additional offices in Zurich, Dubai, and Singapore.
	Miami Beach, FL Founded: 2010	<ul style="list-style-type: none">▪ Overview: IRA Financial Group is a financial technology company that offers digital solutions to invest retirement funds in alternative assets.<ul style="list-style-type: none">▪ Offers self-directed plans for investments in products such as individual retirement accounts (IRA), solo 401(k)s, and ROBS and allows tax-free investment in domestic or foreign real estate.▪ Investment partnerships with Bitstamp, Capital2Market, Swan Bitcoin, Grayscale, ErisX, Yieldi, OANDA, Equifund, BlockFi, and BITRIA.▪ Other Information: Helped more than 20,000 clients invest \$4.6 billion in alternative assets.





Select Company Profiles

Robo-Retirement/WealthTech/SDIRAs (cont.)

Company	Location	Company Description
	Pittsburgh, PA Founded: 2015	<ul style="list-style-type: none">▪ Overview: Open architecture technology platform for IRA businesses, custodians, and advisors.<ul style="list-style-type: none">▪ Technology solution also addresses the DOL fiduciary regulations, captures IRA rollovers, and simplifies automatic and small-balance IRAs.▪ M&A and Capital-Raise Activity: Received \$22 million Series C funding in 2022.▪ Other Information: iraLogix has approximately 80 employees.
	Centennial, CO Founded: 2013	<ul style="list-style-type: none">▪ Overview: Retirement plan services provider of trust, custody, IRA, and record-keeping services to the retirement plan industry.<ul style="list-style-type: none">▪ Specializes in record-keeping solutions for municipalities and nonprofit organizations that manage retirement plans for their employees.▪ Other Information: IPX Retirement has approximately 70 employees.
	Chicago, IL Founded: 2015	<ul style="list-style-type: none">▪ Overview: M1 is a personal finance platform that helps people manage and grow their money with control and automation for free.<ul style="list-style-type: none">▪ The firm's platform combines different traditional fintech services, automated investing, borrowing, and banking/spending into one common platform.▪ The platform helps people invest in custom stock and ETF portfolios, borrow low-cost line of credit, and conduct digital banking services that integrate with investments.▪ Other Information: The company has more than \$4.5 billion in AUM.
	Providence, RI Founded: 2013	<ul style="list-style-type: none">▪ Overview: Marstone is a developer of a digital wealth management platform intended to enhance financial literacy, deepen financial inclusion, and humanize finance for all.<ul style="list-style-type: none">▪ Enables financial institutions to efficiently and affordably reach, acquire, and retain clients who seek straightforward information and engagement around their finances.▪ M&A and Capital-Raise Activity: The company raised \$20 million through a combination of Series A1 and Series A2 venture funding in a deal led by Apex Fintech Solutions and Amerant Bank in May 2020.▪ Other Information: The company has around 50 employees.





Select Company Profiles

Robo-Retirement/WealthTech/SDIRAs (cont.)

Company	Location	Company Description
 <p>MILLENNIUM TRUST COMPANY ABOVE AND BEYOND CUSTODY</p>	Oak Brook, IL Founded: 2000	<ul style="list-style-type: none">▪ Overview: SDIRA custodian that provides administrative and custodial services to individuals, advisors, and institutional clients.<ul style="list-style-type: none">▪ Millennium Trust oversees 5.2 million individual client accounts (2.7 million IRAs) and \$51 billion in total assets under custody.▪ M&A Activity: Acquired PayFlex, a provider of health savings accounts and consumer-directed benefit administration services, for \$775 million in 2022.▪ Other Information: The company has approximately \$25 billion in fund assets under custody and has more than 45,000 unique assets under custody.
 <p>RobustWealth</p>	Lambertville, NJ Founded: 2015	<ul style="list-style-type: none">▪ Overview: A digital wealth management platform designed to help investment advisors optimize their practices.<ul style="list-style-type: none">▪ Integrates previously modular features into one seamless suite.▪ Advisors leverage to enable enterprises to organize official databases.▪ Directly interacts with prospective and current clients on their business automation needs.▪ Other Information: RobustWealth has approximately 10 employees.
 <p>WEALTHCARE financial guidance for life</p>	Richmond, VA Founded: 1999	<ul style="list-style-type: none">▪ Overview: Wealthcare is a wealth management innovation company offering capital management and retirement planning services.<ul style="list-style-type: none">▪ The firm is the creator of the original goals-based planning software released more than 20 years ago and holds 12 patents on this process.▪ Offers a suite of practice-management support services that empower advisors while giving investors a personalized client experience.▪ Other Information: The company has \$4.8 billion AUM.
 <p>Wealthfront</p>	Palo Alto, CA Founded: 2007	<ul style="list-style-type: none">▪ Overview: Automated wealth management platform that offers automated financial planning, investment management, and banking-related services through a mobile application.<ul style="list-style-type: none">▪ Utilize a robo-advisor to open an investment account, which offers access to investment strategies and comprehensive automated services, enabling underserved communities to invest.▪ M&A Activity: Received \$70 million in Series H funding in 2022 after terminating the takeover acquisition by UBS.▪ Other Information: The company has approximately \$30 billion in AUM.




Select Company Profiles

Customization

Company	Location	Company Description
	Toronto, Canada Founded: 2015	<ul style="list-style-type: none">▪ Overview: Provides a quick and easy retirement planning and saving experience for Canadians, powered by a turnkey digital platform.▪ Offers an innovative, employer-sponsored digital retirement plan that helps employees of all income levels save for retirement.▪ Employees can create an online account in 10 minutes, and the plan automatically creates an RRSP and TFSA account.▪ Other Information: Common Wealth partners with brokers, advisors, unions, accountants, and payroll and HR platforms to provide a full range of services.
	Scottsdale, AZ Founded: 2017	<ul style="list-style-type: none">▪ Overview: Provider of friction-free, all-digital enrollment services intended to offer a progressive goal-based approach to personalized retirement advice.▪ The company's tool presents an innovative plan enrollment that aligns with each saver's situation and provides a better engagement process for financial advisors and recordkeepers of retirement plans.▪ Fully integrated platform for managed account providers (MAP) and in-plan Income Solution providers, including providers Allianz, Franklin Templeton, Leafhouse, and Stadio▪ M&A and Capital-Raise Activity: Received two rounds of angel-backed funding of \$1.0 million and \$0.6 million in 2019 and 2021, respectively.▪ Other Information: iJoin has 10 employees.
	Austin, TX Founded: 2008	<ul style="list-style-type: none">▪ Overview: LeafHouse Financial offers investment advisory services to high-net-worth individuals, retirement plans, and other financial professionals and also operates as an investment management firm.▪ Invests in buyout, diversified private equity, private equity growth expansion, and venture capital strategies for retirement plans that range from startups to large institutions (both public and private clients) across the U.S.▪ Other Information: The firm provides 3(38) and 3(21) discretionary investment services and has invested in more than 50 record-keeping platforms.
	New York, NY Founded: 2012	<ul style="list-style-type: none">▪ Overview: Designs, develops, and operates a retirement and wealth management advisory platform.▪ Helps financial advisors report on, manage, and trade their clients' held-away accounts, including 401(k)s, 403(b)s, and HSAs.▪ Enables users to access fees paid for IRAs, 401(k)s, 403(b)s, and brokerage and investment accounts; support in building wealth, holistic wealth planning, tax management, and consolidated reporting.▪ Other Information: Completed an 18-month funding round in February 2022, led by Lightspeed Ventures. Rebranded to "Pontera" as part of the announcement.





Select Company Profiles

Customization (cont.)

Company	Location	Company Description
	Chicago, IL Founded: 1998	<ul style="list-style-type: none">▪ Overview: Provider of financial wellness, managed account, and retirement planning solutions to employers.<ul style="list-style-type: none">▪ Provides BeFine, a financial wellness app that offers emergency fund, debt management, budget creation, and retirement readiness solutions.▪ Offers ProManage PROgram, which provides a managed accounts solution for clients' competitive employee benefits package.▪ Other Information: ProManage has approximately \$5.1 billion in AUM and 20 employees. Revenues in 2020 were approximately \$4.6 million.
	Chattanooga, TN Founded: 2000	<ul style="list-style-type: none">▪ Overview: Operates as an investment advisor that provides independent investment recommendations for employer-sponsored plans.<ul style="list-style-type: none">▪ Provides investment guidance, advisory, and account management services to individual investors, plan sponsors, and plan providers.▪ Offers solutions such as custom retirement planning, account management, and retirement counseling.▪ Other Information: ProNvest has approximately \$1.3 billion in assets (2020) and 24 employees.
	Aliso Viejo, CA Founded: 2006	<ul style="list-style-type: none">▪ Overview: Developer of a data-enabled platform designed to provide an effective and scalable engagement experience.▪ M&A and Capital-Raise Activity: Recently raised \$5.0 million through a combination of debt and Series E venture funding from Franklin Templeton and other undisclosed investors in 2021.▪ Other Information: vWise has 28 employees.


Select Company Profiles

Newer Turnkey Entrants

Company	Location	Company Description
	San Francisco, CA Founded: 2013	<ul style="list-style-type: none">▪ Overview: Operates as an independent financial advisor that provides a platform for employee retirement solutions.▪ Provides its Alt 401(k) plan that offers financial advice to employees, payroll integration, automated admin, and audit coverage.▪ Offers solutions such as automatic deferral updates, employee onboarding communication, employee 401(k) eligibility tracking, and employee automatic enrollment.▪ Other Information: ForUsAll has 62 employees.
	Austin, TX Founded: 2019	<ul style="list-style-type: none">▪ Overview: Provides plan administration, recordkeeping, and investment management services to employer-sponsored retirement plans.▪ Services include selecting, monitoring, and managing the investment menu, qualified default investments, and portfolios for retirement plans.▪ M&A and Capital-Raise Activity: Received \$80 million in funding (July 2020).▪ Other Information: Guideline has approximately \$3.5 billion in AUM and approximately 250 employees.
	San Francisco, CA Founded: 2015	<ul style="list-style-type: none">▪ Overview: Operates as a full-service 401(k) and 403(b) provider for small and mid-sized business employees.▪ Offers solutions such as payroll sync, administrative compliance, investment management, IRS documents, reporting, onboarding, financial advice, automated portfolio management, and support.▪ M&A and Capital-Raise Activity: Completed Series D funding of approximately \$200 million (Aug. 2021).▪ Other Information: Human interest has more than 500 employees, and 2020 revenues were approximately \$7.1 million.
	Nashville, TN Founded: 2014	<ul style="list-style-type: none">▪ Overview: Operates as a global technology business that delivers people-focused retirement solutions.▪ Offers products that include everything from self-service retirement income solutions to customized platform options.▪ Provides employers, advisors, and participants with retirement savings option solutions.▪ M&A and Capital-Raise Activity: Completed Series D funding of approximately \$180 million (June 2021).▪ Other Information: Smart has approximately \$2 billion in AUM and approximately 30 employees.




Select Company Profiles

Newer Turnkey Entrants (cont.)

Company	Location	Company Description
 Vestwell	New York, NY Founded: 2016	<ul style="list-style-type: none">▪ Overview: Operates as a cloud-based, modern record-keeping platform providing the underlying infrastructure to power workplace savings programs.▪ Specializes in retirement plans, advisor-managed accounts, payroll integrations, state saving programs, and additional workplace programs.▪ Helps people more easily offer, administer, and access workplace investing programs.▪ M&A and Capital-Raise Activity: Sunday Administration, a provider of a finance management platform for smart savers and investors, enabling them to save and invest small amounts (Nov. 2021), completed Series C funding of approximately \$70 million (June 2021).▪ Other Information: Vestwell has 170 employees, and 2020 revenues were approximately \$43.6 million.




Select Company Profiles

Lifetime Income

Company	Location	Company Description
 <p>Income Discovery For a Full & Rich Retirement</p>	Liberty Corner, NJ Founded: 2010	<ul style="list-style-type: none">▪ Overview: Operates as an AI-powered platform provider for retirement decumulation solutions.<ul style="list-style-type: none">▪ Offers paycheck solutions to manage planned spending, unplanned spending, and Roth conversions during retirement.▪ Income advice solution that provides advisors with a client's optimal retirement income strategy; safe income portal that optimizes Social Security claim, lifetime income allocation, and portfolio allocation.▪ Other Information: Income Discovery has approximately \$80 billion in AUM and 14 employees.
 <p>LIFEYIELD®</p>	Boston, MA Founded: 2008	<ul style="list-style-type: none">▪ Overview: Operates as a provider of technology solutions for asset allocation, tax-smart withdrawals, and Social Security.<ul style="list-style-type: none">▪ Offers enterprise solutions such as asset location, multi-account rebalancing, tax-smart withdrawals, tax harvesting, and Social Security.▪ Provides a unified managed household solution that manages wealth by taking all assets, accounts, and holdings from a client's household and coordinating them.▪ Other Information: LifeYield has approximately 30 employees.
 <p>Retiree Income</p>	Leawood, KS Founded: 2008	<ul style="list-style-type: none">▪ Overview: Operates as a technology company that delivers an innovative retirement planning process through its software for financial professionals and consumers.<ul style="list-style-type: none">▪ Offers platforms such as Income Solver (for financial professionals) and Income Strategy (for consumers); both platforms offer tax-efficient withdrawal strategies, coupled with optimal Social Security claiming strategies.▪ Other Information: Retiree Income has approximately 40 employees.

Select Company Profiles

Annuities

Company	Location	Company Description
 The logo for DPL Financial Partners, featuring the letters 'dpl' in a blue square followed by the text 'financial partners' in a sans-serif font.	Louisville, KY Founded: 2014	<ul style="list-style-type: none">▪ Overview: DPL Financial Partners provides a turnkey insurance management platform for RIAs, offering a marketplace of low-cost, commission-free products.▪ Offers commission-free insurance advisory services such as structured variable, deferred income, fixed index, life settlement, disability income, and term and variable universal life insurance.▪ Has partnerships with leading insurance carriers, including Allianz, Equitable, Great American Life Insurance, Lombard Insurance, and Transamerica.▪ Other Information: The company has \$1.2 billion in AUM.
 The logo for SE2, with 'SE' in black and '2' in green, all in a bold, sans-serif font.	Topeka, KS Founded: 2005	<ul style="list-style-type: none">▪ Overview: Provider of third-party administration services designed to administer life and annuity products.▪ Life and annuity insurance platform accelerates the digital transformation, enabling users to add value for both distributors and policyholders as well as self-service tools such as producer and policyholder web portals and future-proof operations with insurance BPaaS and TPA services.▪ M&A and Capital-Raise Activity: The company received an undisclosed amount of development capital from Eldridge Industries in 2017.▪ Other Information: The company has more than 70 employees.
 The logo for Simplicity Group, featuring a blue circular icon with three curved lines and the text 'SIMPLICITY GROUP' in a sans-serif font.	Summit, NJ Founded: 2008	<ul style="list-style-type: none">▪ Overview: Simplicity is a financial products distribution firm that specializes in providing insurance, investment, and business development solutions.▪ Supports independent financial advisors and agents with investment, annuity, and life insurance.▪ Focus on client education, consumer value, and partnership.▪ M&A and Capital-Raise Activity: The company received development capital from Twin Bridge Capital Partners on an undisclosed date.▪ Other Information: The company has roughly 150 employees.

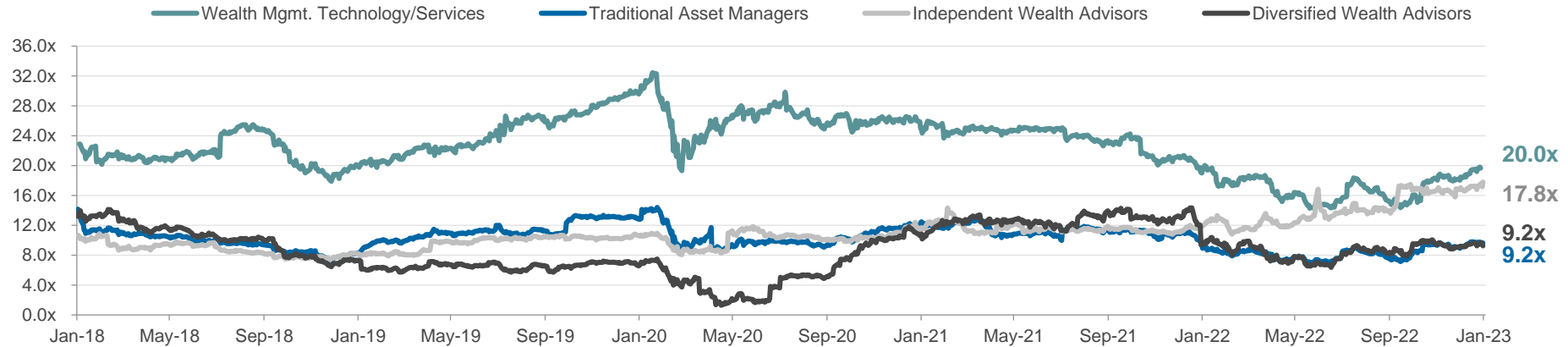
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Valuation

Select Historical Trading Metrics

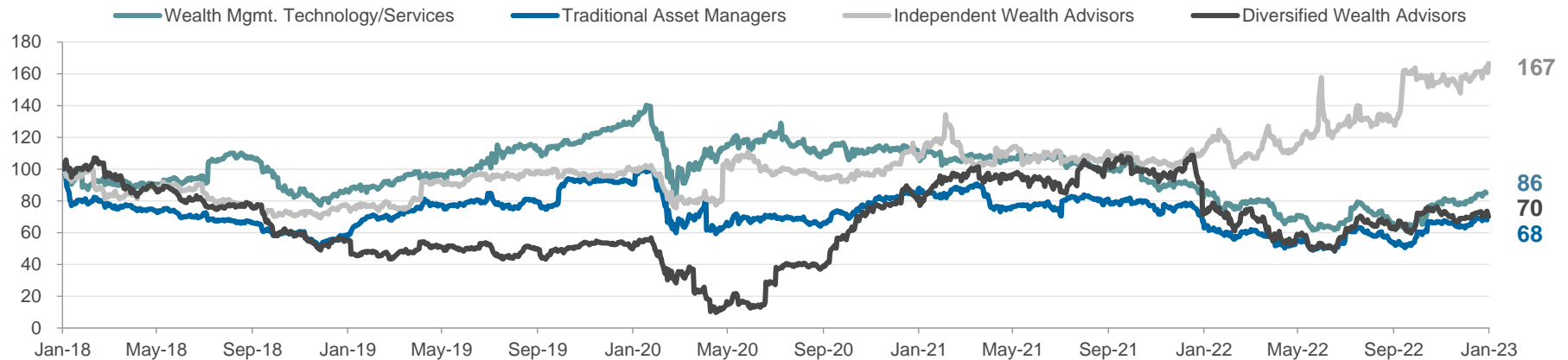
Total Enterprise Value to LTM EBITDA

Total Enterprise Value to LTM EBITDA



Relative Change in Total Enterprise Value to LTM EBITDA

Change in Total Enterprise Value to LTM EBITDA

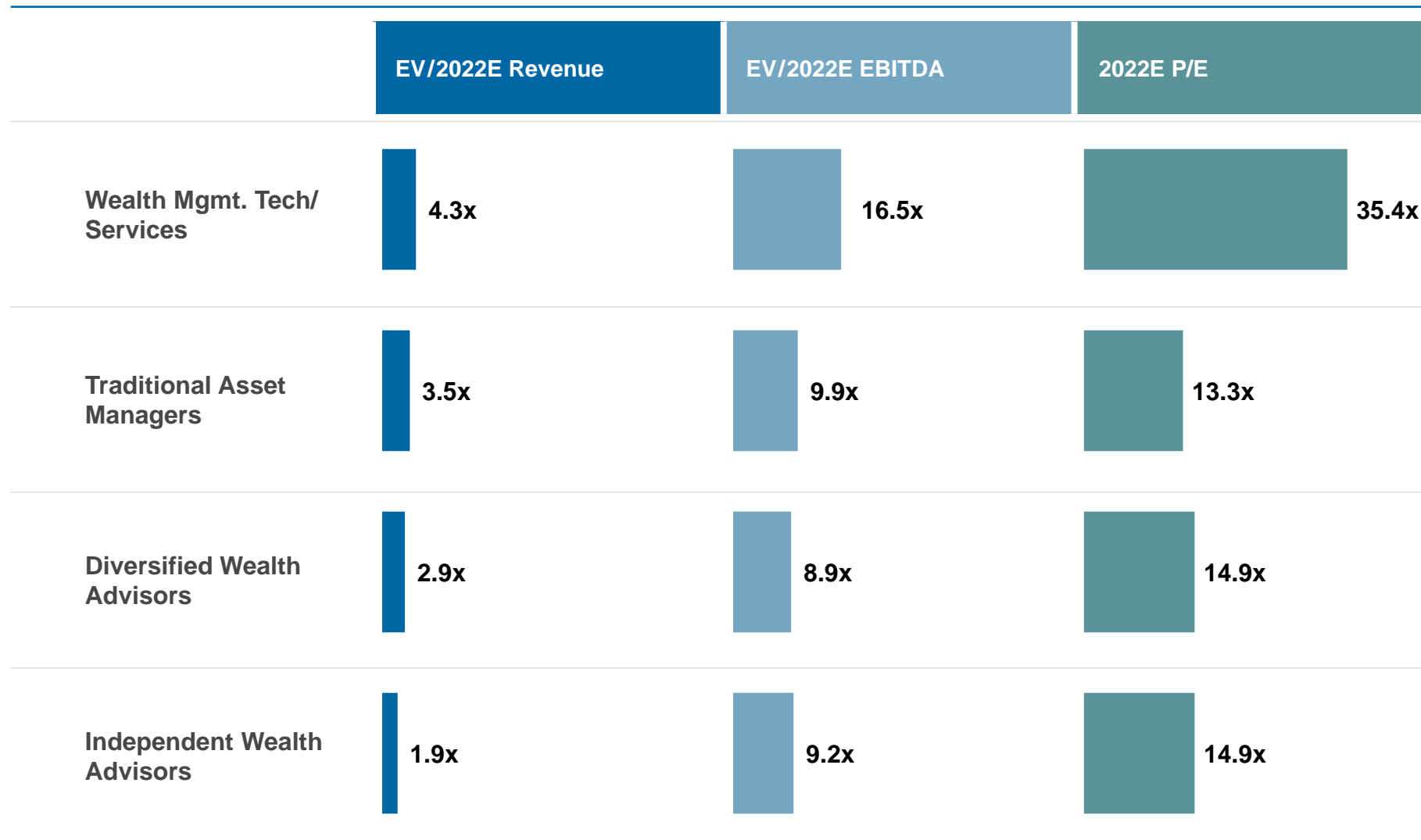


Sources: Public filings, SNL Financial, Capital IQ.

Notes: Financial data as of most recent available; market data as of January 27, 2023. Companies within each index correspond to the following public comps pages.

Valuation

Select Current Average Trading Multiples



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.

Select Trading Comparables

Wealth Management Tech/Services

As of January 27, 2023

(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
WealthTech & Advice																
Broadridge Financial Solutions, Inc.	BR	\$149.46	\$18,556	11.4%	(3.0)%	n.a.	n.a.	3.8x	3.6x	3.5x	17.9x	16.4x	15.8x	23.6x	20.6x	19.6x
SS&C Technologies Holdings, Inc.	SSNC	59.65	15,026	14.6	(23.5)	n.a.	n.a.	4.2	4.1	3.9	11.1	10.3	9.7	12.8	12.0	10.8
Morningstar, Inc.	MORN	241.44	10,248	11.5	(12.3)	n.a.	n.a.	6.0	5.3	4.7	27.3	24.0	20.5	107.3	54.1	38.9
SEI Investments Company	SEIC	62.08	8,329	6.5	7.8	n.a.	n.a.	3.8	4.0	3.8	12.7	13.4	12.2	17.6	17.7	15.7
Envestnet, Inc.	ENV	66.35	3,671	7.5	(7.1)	n.a.	n.a.	3.5	3.4	3.0	20.1	17.3	13.8	35.8	31.1	24.0
AssetMark Financial Holdings, Inc.	AMK	26.48	1,955	15.1	12.9	51,520	3.8	4.4	3.7	3.5	10.1	8.6	7.8	15.2	12.8	11.9
High				15.1%	12.9%	\$51,520	3.8%	6.0x	5.3x	4.7x	27.3x	24.0x	20.5x	107.3x	54.1x	38.9x
Mean				11.1	(4.2)	51,520	3.8	4.3	4.0	3.7	16.5	15.0	13.3	35.4	24.7	20.1
Median				11.5	(5.1)	51,520	3.8	4.0	3.9	3.7	15.3	14.9	13.0	20.6	19.1	17.7
Low				6.5	(23.5)	51,520	3.8	3.5	3.4	3.0	10.1	8.6	7.8	12.8	12.0	10.8

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

Note: Financial data as of most recent available; market data as of January 27, 2023.

Select Trading Comparables

Traditional Asset Managers

As of January 27, 2023

(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.	EV /			EV / EBITDA			P / Adj. Earnings			
							AUM	2022E Rev.	2023E Rev.	2024E Rev.	2022E	2023E	2024E	2022E	2023E	2024E
Traditional Asset Managers																
BlackRock, Inc.	BLK	\$759.18	\$113,692	7.1%	(6.1)%	\$7,961,373	1.5%	6.5x	6.4x	5.7x	16.3x	15.9x	14.0x	22.0x	21.7x	19.1x
T. Rowe Price Group, Inc.	TROW	116.29	26,084	6.6	(22.4)	1,230,000	2.0	3.8	4.0	3.8	8.7	11.3	10.3	14.6	17.4	16.0
Franklin Resources, Inc.	BEN	30.72	15,368	16.5	(1.6)	1,297,400	1.7	2.8	2.9	2.9	9.8	11.4	10.9	9.9	11.9	11.2
Invesco Ltd.	IVZ	18.30	8,323	1.7	(15.7)	1,323,300	1.3	3.6	3.8	3.6	9.5	10.7	9.7	11.1	11.1	9.5
Affiliated Managers Group, Inc.	AMG	167.81	6,321	5.9	19.3	644,600	1.5	4.0	4.3	4.0	9.5	10.2	9.8	8.5	8.8	7.7
Janus Henderson Group plc	JHG	25.79	4,271	9.7	(28.9)	274,600	1.3	1.7	1.9	1.9	6.4	7.9	7.3	11.0	13.1	11.9
AllianceBernstein Holding L.P.	AB	37.86	3,801	10.2	(17.0)	612,700	0.6	0.7	0.7	0.9	4.0	4.1	3.7	13.5	14.0	12.6
Cohen & Steers, Inc.	CNS	71.08	3,462	10.1	(13.0)	79,198	4.3	6.0	6.7	6.1	14.1	15.6	14.3	19.3	21.8	19.5
Federated Hermes, Inc.	FHI	38.68	3,281	6.5	17.4	624,427	0.6	2.4	2.3	2.1	9.2	9.1	9.5	14.0	12.2	10.9
Artisan Partners Asset Management Inc.	APAM	36.10	2,874	21.5	(13.3)	120,607	2.6	3.2	3.4	3.2	9.2	10.5	9.7	11.7	13.7	12.7
Victory Capital Holdings, Inc.	VCTR	29.40	2,014	9.6	(7.6)	147,257	2.0	3.5	3.6	3.4	7.1	7.3	6.8	6.4	6.7	6.2
Virtus Investment Partners, Inc.	VRTS	214.36	1,550	12.0	(13.5)	144,974	2.3	4.4	4.4	3.7	12.0	12.3	10.3	8.4	8.7	7.0
BrightSphere Investment Group Inc.	BSIG	22.76	943	10.6	9.4	83,300	1.5	3.1	3.2	3.0	8.8	9.2	8.7	14.3	15.6	13.1
WisdomTree, Inc.	WT	5.59	800	2.6	(0.2)	70,877	1.4	3.3	3.1	2.8	14.0	13.7	11.4	21.5	22.1	16.9
Diamond Hill Investment Group, Inc.	DHIL	187.86	567	1.5	3.5	23,882	2.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
High				21.5%	19.3%	\$7,961,373	4.3%	6.5x	6.7x	6.1x	16.3x	15.9x	14.3x	22.0x	22.1x	19.5x
Mean				8.8	(6.0)	975,900	1.8	3.5	3.6	3.4	9.9	10.7	9.8	13.3	14.2	12.4
Median				9.6	(7.6)	274,600	1.5	3.4	3.5	3.3	9.3	10.6	9.8	12.6	13.4	12.2
Low				1.5	(28.9)	23,882	0.6	0.7	0.7	0.9	4.0	4.1	3.7	6.4	6.7	6.2

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

Note: Financial data as of most recent available; market data as of January 27, 2023.

Select Trading Comparables

Advisors

As of January 27, 2023

(Dollars in millions, except per share data)

Company	Ticker	Closing Stock Price	Assets Under Management	Market Cap.	YTD	1-Year	EV /		EV / EBITDA			P / Adj. Earnings		
					Stock Price Return	Stock Price Return	AUM	2022E Rev.	2022E	NTM	2023E	2022E	NTM	2023E
Diversified Wealth Advisors														
The Charles Schwab Corporation	SCHW	\$74.69	NA	\$139,427	(10.3)%	(16.0)%	n.a.	5.5x	9.7x	8.4x	8.4x	19.0x	n.a.	n.a.
Ameriprise Financial, Inc.	AMP	344.45	893,533	36,271	10.6	15.6	3.8	2.4	7.9	6.6	6.6	14.4	11.4	11.4
Raymond James Financial, Inc.	RJF	111.77	173,800	24,158	4.6	7.4	12.5	2.0	9.0	6.8	6.8	14.9	10.9	10.9
Stifel Financial Corp.	SF	66.37	NA	7,054	13.7	(9.9)	n.a.	1.7	n.a.	n.a.	n.a.	11.3	9.4	9.4
High					13.7%	15.6%	12.5%	5.5x	9.7x	8.4x	8.4x	19.0x	11.4x	11.4x
Mean					4.7	(0.7)	8.1	2.9	8.9	7.3	7.3	14.9	10.6	10.6
Median					7.6	(1.2)	8.1	2.2	9.0	6.8	6.8	14.6	10.9	10.9
Low					(10.3)	(16.0)	3.8	1.7	7.9	6.6	6.6	11.3	9.4	9.4
Independent Wealth Advisors														
LPL Financial Holdings Inc.	LPLA	\$232.00	\$542,600	\$18,467	7.3%	39.5%	3.7%	2.4x	13.3x	8.6x	8.5x	20.4x	12.7x	12.3x
Focus Financial Group	FOCS	44.35	\$350,000	3,438	19.0	(6.7)	1.0	1.6	6.6	6.4	6.0	10.3	11.4	10.9
Avantax, Inc.	AVTA	29.35	35,443	1,413	15.0	85.8	4.0	1.6	9.2	6.8	6.7	16.2	10.7	10.8
Alvarium Tiedemann Holdings, Inc	ALTI	9.55	60,000	1,075	(1.8)	8.3	1.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Silvercrest Asset Management Group Inc.	SAMG	18.72	27,403	268	(0.3)	11.8	1.0	2.3	7.9	8.5	7.5	12.6	13.7	11.5
High					19.0%	85.8%	4.0%	2.4x	13.3x	8.6x	8.5x	20.4x	13.7x	12.3x
Mean					7.8	27.7	2.3	1.9	9.2	7.6	7.2	14.9	12.2	11.4
Median					7.3	11.8	1.8	1.9	8.5	7.6	7.1	14.4	12.1	11.2
Low					(1.8)	(6.7)	1.0	1.6	6.6	6.4	6.0	10.3	10.7	10.8

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

Note: Financial data as of most recent available; market data as of January 27, 2023.

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~2,500 Employees	35 Locations	>\$6 Billion Market Cap	HLI LISTED NYSE	>\$2 Billion Annual Revenue	~25% Employee-Owned	No Debt
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Corporate Finance

- No. 1 Global M&A Advisor for Transactions Under \$1 Billion
- Leading Capital Markets Advisor Raising \$100 Billion+ in Past Five Years

Rank	Advisor	Deals
1	Houlihan Lokey	381
2	Rothschild	369
3	JP Morgan	217

Source: Refinitiv.
Excludes accounting firms and brokers.

Financial Restructuring

- No. 1 Global Restructuring Advisor
- \$3.0 Trillion of Aggregate Transaction Value Completed

Rank	Advisor	Deals
1	Houlihan Lokey	58
2	PJT Partners	30
3	Lazard	29

Source: Refinitiv.

Financial and Valuation Advisory

- No. 1 Global M&A Fairness Opinion Advisor Over the Past 25 Years
- 1,000+ Annual Valuation Engagements

Rank	Advisor	Deals
1	Houlihan Lokey	1,232
2	JP Morgan	1,030
3	Duff & Phelps, A Kroll Business	938

Source: Refinitiv.
Announced or completed transactions.

Financial Sponsors Coverage

- No. 1 Global Advisor to Private Equity Firms
- 1,000+ Sponsors Covered Globally

Rank	Advisor	Deals
1	Houlihan Lokey	323
2	Deloitte	218
3	William Blair	183

Source: PitchBook.

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.⁽¹⁾
- No. 1 M&A advisor for all nondepository financial services transactions.⁽²⁾

2022 M&A Advisory Rankings Global Financial Services Transactions Under \$1 Billion

Advisor	Deals
1 Houlihan Lokey	40
2 Rothschild	39
3 JP Morgan	27
4 BofA Securities	26
5 Goldman Sachs	24

Source: Refinitiv.

UNMATCHED PRIVATE EQUITY COVERAGE

- No. 1 most active investment bank to U.S. and global private equity.⁽³⁾
- 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 100 professionals.
- Advised on more than 150 deals in 2021 and worked with more than 75 sponsors to raise more than \$15 billion of capital.
- Senior-level contact into all major credit investors.

Among the largest dedicated alternative investor coverage teams 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.⁽¹⁾
- Outstanding track record with international investors, both on sellside and buy-side 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.

Houlihan Lokey Retirement and Asset Management

Overview of M&A and Capital Markets Solutions

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

Select Advisory Areas

Selected Wealth and Asset Management Transaction Experience

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 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.

 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	 has sold a minority interest to Harvest Capital Strategies a subsidiary of Sellside Advisor*	 has sold a minority stake to a portfolio company of 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 merged with Exclusive Sellside 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 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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Houlihan Lokey

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