

Investment Advisory

INDUSTRY SUMMARY

COGENT VALUATION identified **Investment Advisory** publicly traded companies, IPOs, and recent M&A transactions within the Investment Advisory industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since March 31, 2017, the median 52-week share price return of the Investment Advisory industry was 12.8%. Between March 31, 2016 and March 31, 2018, the median EV/EBITDA multiple increased from 8.5 to 8.7. Furthermore, the median price-to-earnings multiple increased from 18.7 to 19.7 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 2.6% and 28.9%, respectively.

Public Company Key Statistics

Median 52-Week
Return

12.8%

Median 3-Year CAGR
Return

-1.3%

Median EV/Revenue
Multiple

2.8x

Median EV/EBITDA
Multiple

8.7x

Median Price/Earnings
Multiple

19.7x

Median EV/Gross CF
Multiple

16.3x

Comparable Public Company Market Price Returns as of March 31, 2018

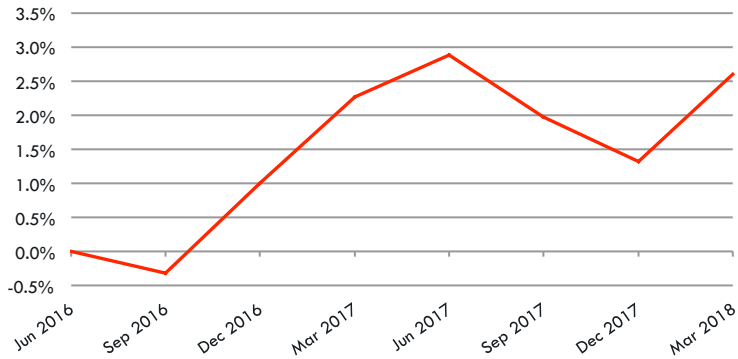
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
AllianceBernstein Holding L.P.	7.2%	7.2%	17.5%	2.5%	-2.2%	-1.7%	-7.7%	21.0%
Ameriprise Financial, Inc.	-12.7%	-12.7%	14.1%	26.2%	6.4%	4.2%	-19.5%	15.0%
Cohen & Steers, Inc.	-14.0%	-14.0%	1.7%	24.6%	0.9%	10.2%	-27.6%	5.0%
Diamond Hill Investment Group, Inc.	0.0%	0.0%	6.2%	4.6%	19.9%	11.3%	36.9%	16.6%
Legg Mason, Inc.	-3.2%	-3.2%	12.6%	3.4%	-8.4%	-23.8%	-26.5%	22.7%
Oaktree Capital Group, LLC	-5.9%	-5.9%	-12.6%	-6.1%	-2.7%	-21.4%	-7.9%	-11.9%
Pzena Investment Management, Inc	4.3%	4.3%	13.1%	11.4%	4.5%	29.2%	-9.1%	-19.6%
SEI Investments Co.	4.2%	4.2%	48.5%	17.1%	19.1%	-5.8%	30.9%	15.3%
Silvercrest Asset Management Group	-5.3%	-5.3%	14.3%	16.2%	2.2%	10.6%	-24.0%	-8.2%
Waddell & Reed Financial, Inc.	-9.5%	-9.5%	18.9%	-11.7%	-27.0%	-31.9%	-42.5%	-23.5%
Westwood Holdings Group, Inc.	-14.7%	-14.7%	5.8%	12.7%	5.9%	15.2%	-15.7%	-0.1%
WisdomTree Investments, Inc.	-26.9%	-26.9%	1.0%	-10.5%	-3.6%	-29.0%	0.0%	-11.5%
Median of Industry Public Companies	-5.6%	-5.6%	12.8%	8.0%	1.6%	1.3%	-12.4%	2.4%

Multiple year periods are calculated as the average annual return.

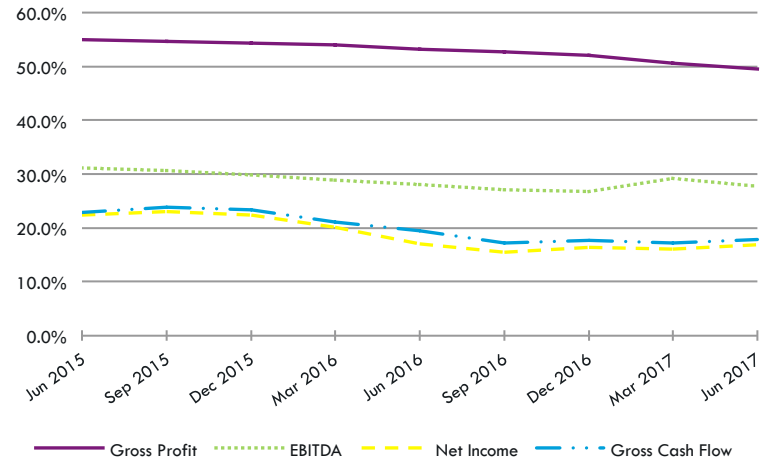
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Investment Advisory Companies



Median Gross Profit, EBITDA, Net Income, and Gross Cash Flow Margins



Public Company Median Multiples by Quarter

	3/31/18	12/31/17	9/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16
EV/Revenues Multiple	2.8x	3.3x	3.4x	3.5x	3.5x	3.5x	3.5x	3.6x
EV/EBITDA Multiple	8.7x	8.9x	8.7x	9.2x	9.7x	9.4x	9.3x	8.6x
Price/Earnings Multiple	19.7x	20.3x	13.8x	14.9x	15.6x	18.2x	20.0x	18.7x
EV/Gross Cash Flows Multiple	16.3x	16.3x	16.1x	14.6x	13.9x	13.4x	15.4x	14.6x

■ Highest Multiple

■ Lowest Multiple

■ Median Multiple

Industry Initial Public Offerings—Industry: Investment Advisory (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
3/21/18	Amasse Capital Holdings Limited	\$0.03	250.0	\$7.6	\$35.0	\$0.0	\$0.0	\$1.9	\$0.7	\$1.9
2/7/18	Victory Capital Holdings, Inc.	\$13.00	11.7	\$152.1	\$2,074.3	\$26.4	\$409.6	NA	\$10.7	N/A
3/11/16	Harwood Wealth Management Group Plc	\$1.17	16.7	\$19.4	\$693.0	\$245.8	\$12.2	NA	\$103.8	N/A
5/8/13	Tristate Capital Holdings, Inc.	\$11.50	5.7	\$65.6	\$220,850.0	\$9,558.9	\$56.4	\$1,297.4	\$766.2	\$1,297.4
5/8/13	PennyMac Financial Services, Inc.	\$18.00	11.1	\$200.0	\$287.6	\$290.0	\$346.6	\$49.5	\$0.0	\$51.9
5/1/13	Voya Financial, Inc.	\$19.50	65.2	\$1,271.2	\$45,498.0	\$901.0	\$9,957.5	N/A	N/A	N/A
3/6/13	Artisan Partners Asset Management Inc.	\$30.00	11.1	\$331.6	\$66.1	\$0.3	\$505.6	\$197.8	(\$34.1)	\$199.0
6/29/17	Median of all IPOs	nm	nm	\$152.1	\$693.0	\$245.8	\$346.6	\$123.7	\$5.7	\$125.5

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
3/19/18	AE Financial Services Ltd	Harwood Wealth Management	\$8.6	100%	\$1.8	0.0x
9/18/17	Hargreave Hale Limited	Canaccord Genuity Wealth	\$102.9	87%	\$62.0	N/A
8/2/17	Prosperitas Advisers	Succession Advisory Services	\$27.3	100%	N/A	0.0x
2/17/17	Calamos Asset Management Inc.	Calamos Partners LLC	\$201.6	100%	\$200.6	N/A
1/20/17	Buttonwood Finance Limited	Neo-Neon Holdings Limited	\$24.2	100%	N/A	N/A
12/16/16	Siebert Financial Corp.	N/A	\$13.7	100%	\$10.3	N/A
11/4/16	M&O Systems, Inc.	Broadridge Financial	\$25.0	100%	N/A	0.0x
8/9/16	STI Securities & Wealth	Gold Castle Group Limited	\$2.2	100%	N/A	N/A
4/13/16	F&C Asset Management	Bank of Montreal	\$103.7	100%	N/A	N/A
2/26/16	Simmons & Company	Piper Jaffray & Co.	\$138.8	100%	\$96.0	3.2x
2/2/16	RI Advice Group Pty Ltd	AZ Next Generation Advisory	\$5.4	100%	N/A	0.0x
2/1/16	The Mutual Fund Store, LLC	Blucora, Inc.	\$579.6	100%	N/A	0.0x

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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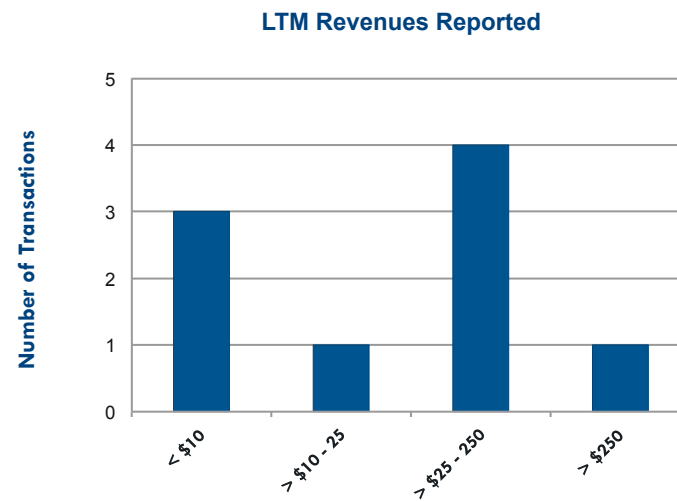
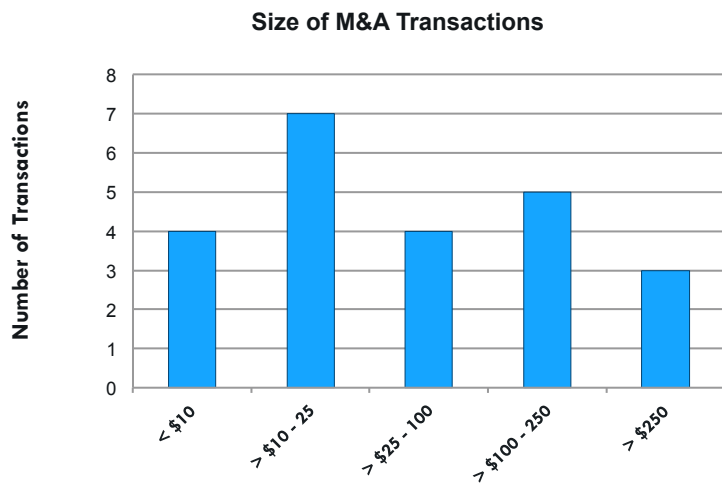
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
10/30/15	Samson Capital Advisors LLC	Fiera Capital Corporation	\$48.5	100%	N/A	N/A
9/30/15	Finter Bank Zürich AG	Vontobel Holding AG	\$82.0	100%	N/A	N/A
9/20/15	Finter Bank Zürich AG	Cathay Life Insurance	\$240.0	100%	N/A	N/A
8/31/15	Conning & Company Inc.	Savills Investment Mgmt.	\$22.9	100%	\$46.4	0.0x
7/31/15	Savills Fund Management	ALPS Holdings, Inc.	\$65.0	100%	N/A	N/A
5/29/15	Red Rocks Capital LLC	ZICO Holdings Inc.	\$6.3	100%	N/A	N/A
4/30/15	Entrust Private Wealth	AFH Financial Group Plc	\$6.3	100%	\$4.7	0.0x
4/1/15	DNCA Finance	Zico HOlodings	\$102.6	100%	\$46.4	0.0x
Median of the 20 M&A Transaction Targets			\$36.8	100%	\$46.4	0.0x

USA
 International
 Highest
 Lowest
 Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2018



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Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt —Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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