

Q3: Quarterly Industry Update

AS OF December 31, 2023



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 December 31, 2022, the median 52-week share price return of the Investment Advisory industry decreased from -10.1% to -8.4%, and the median YTD return increased from .3% to .4%. Between December 31, 2022 and December 31, 2023, the median EV/Revenue multiple decreased from 2.8 to 2.4 and the median EV/EBITDA multiple decreased from 11.2 to 7.2. The median price-to-earnings multiple increased from 14.4 to 16.2 and the median EV/Gross CF multiple decreased from 42.3 to 38.3 over the same period. The median MVIC/Earning multiple decreased from 9.2 to 7.4. The median Price/Revenue multiple increased from 11.2 to 12.1 over the same period.

Public Company Key Statistics

| | | | |
|--------------------------------|---------------------------------|-------------------------------|-------------------------------|
| Median 52-Week Return | Median YTD Return | Median EV/Revenue Multiple | Median EV/EBITDA Multiple |
| -8.4% | .4% | 2.4x | 7.2x |
| Median Price/Earnings Multiple | Median EV/Gross Profit Multiple | Median MVIC/Earnings Multiple | Median Price/Revenue Multiple |
| 16.2 | 8.3x | 7.4x | 12.1x |

Public Company Median Multiples by Quarter

| | 12/31/23 | 9/30/23 | 6/30/23 | 3/31/23 | 12/31/22 | 9/30/22 | 6/30/22 | 3/31/22 |
|--|----------|---------|---------|---------|----------|---------|---------|---------|
| Median EV/Revenue Multiple | 2.4x | 3.2x | 3.4x | 2.4x | 3.1x | 3.2x | 2.9x | 3.0x |
| Median EV/EBITDA Multiple | 7.2x | 18.0x | 17.6x | 13.4x | 11.6x | 14.6x | 19.4x | 11.3x |
| Median Price/Earnings Multiple | 16.2x | 10.9x | 20.3x | 21.2x | 20.8x | 19.7x | 17.9x | 9.7x |
| Median EV/Gross Profit Multiple | 8.3x | 12.2x | 12.3x | 13.6x | 14.5x | 13.2x | 7.4x | 15.0x |
| Median MVIC/Earnings Multiple | 7.4x | 1.6x | 2.7x | 3.7x | 5.4x | 3.5x | 2.2x | 3.2x |
| Median Price/ Revenue Multiple | 12.1x | 13.2x | 13.4x | 2.7x | 13.6x | 1.5x | 13.2x | 3.2x |

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of September 30, 2020

| Company Name | Q4 2023 | 12-months 2023 | Two Year ¹ | Three Year ¹ | 2022 | 2021 | 2020 |
|--|--------------|----------------|-----------------------|-------------------------|-------------|-------------|---------------|
| AllianceBernstein Holding L.P. | 7.2% | 7.2% | 17.5% | 2.5% | -2.2% | -1.7% | -7.7% |
| Ameriprise Financial, Inc. | -12.7% | -12.7% | 14.1% | 26.2% | 6.4% | 4.2% | -19.5% |
| Cohen & Steers, Inc. | -14.0% | -14.0% | 1.7% | 24.6% | 0.9% | 10.2% | -27.6% |
| Diamond Hill Investment Group, Inc. | 0.0% | 0.0% | 6.2% | 4.6% | 19.9% | 11.3% | 36.9% |
| Legg Mason, Inc. | -3.2% | -3.2% | 12.6% | 3.4% | -8.4% | -23.8% | -26.5% |
| Oaktree Capital Group, LLC | -5.9% | -5.9% | -12.6% | -6.1% | -2.7% | -21.4% | -7.9% |
| Pzena Investment Management, Inc | 4.3% | 4.3% | 13.1% | 11.4% | 4.5% | 29.2% | -9.1% |
| SEI Investments Co. | 4.2% | 4.2% | 48.5% | 17.1% | 19.1% | -5.8% | 30.9% |
| Silvercrest Asset Management Group | -5.3% | -5.3% | 14.3% | 16.2% | 2.2% | 10.6% | -24.0% |
| Waddell & Reed Financial, Inc. | -9.5% | -9.5% | 18.9% | -11.7% | -27.0% | -31.9% | -42.5% |
| Westwood Holdings Group, Inc. | -14.7% | -14.7% | 5.8% | 12.7% | 5.9% | 15.2% | -15.7% |
| WisdomTree Investments, Inc. | -26.9% | -26.9% | 1.0% | -10.5% | -3.6% | -29.0% | 0.0% |
| Median of Industry Public Companies | -5.6% | -5.6% | 12.8% | 8.0% | 1.6% | 1.3% | -12.4% |

[1] Calculated as the average annual return.

■ Highest Return ■ Lowest Return ■ Median Return

Industry Initial Public Offerings—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 |
|------------|--|-------------|----------------|---------------|--------------|---------|--------------|------------|----------------|----------------|
| 12/13/23 | China Renaissance Holdings Limited | \$4.05 | 250.0 | \$7.6 | \$35.0 | N/A | \$0.0 | NA | \$0.7 | \$1.9 |
| 8/2/23 | Evans Dixon Limited | \$1.88 | 11.7 | \$152.1 | \$2,074.3 | \$483.9 | \$409.6 | \$1.7 | \$10.7 | N/A |
| 12/27/22 | Amasse Capital Holdings Limited | \$0.03 | 16.7 | \$19.4 | \$693.0 | \$0.0 | \$12.2 | \$130.4 | \$103.8 | N/A |
| 11/30/22 | Victory Capital Holdings, Inc. | \$13.00 | 5.7 | \$65.6 | \$220,850.0 | \$26.4 | \$56.4 | \$2.7 | \$766.2 | \$1,297.4 |
| 2/10/22 | Harwood Wealth Management Group plc | \$1.17 | 11.1 | \$200.0 | \$287.6 | N/A | \$12.2 | NA | \$0.0 | \$51.9 |
| 9/2/21 | Tristate Capital Holdings, Inc. | \$11.50 | 65.2 | \$1,271.2 | \$45,498.0 | \$901.0 | \$56.4 | NA | N/A | N/A |
| 11/3/20 | PennyMac Financial Services, Inc. | \$18.00 | 11.1 | \$331.6 | \$66.1 | \$0.3 | \$346.6 | \$1,297.4 | (\$34.1) | \$199.0 |
| 8/29/17 | Median of all IPOs | nm | nm | \$152.1 | \$693.0 | \$245.8 | \$168.2 | \$123.7 | \$5.7 | \$125.5 |

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

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues ¹ | EV/ Revenues ¹ |
|------------------|-------------------------------------|------------------------------------|------------------|----------|---------------------------|---------------------------|
| 11/21/23 | Simmons & Company | Piper Jaffray & Co. | \$138.8 | 100% | \$6.2 | 9.4x |
| 9/11/23 | RI Advice Group Pty Ltd | AZ Next Generation Advisory | \$5.4 | 100% | \$23. | 1.0x |
| 2/20/23 | The Mutual Fund Store, LLC | Financial Engines, Inc. | \$579.6 | 100% | \$58.3 | 0.6x |
| 12/26/22 | Investor Analytics, LLC | StatPro Group plc | \$16.0 | 80% | \$67.3 | 4.3x |
| 11/28/22 | Courier Capital Corporation | Financial Institutions Inc. | \$14.0 | 100% | \$23.0 | 4.2x |
| 11/1/23 | HDV Holdings, Inc. | Blucora, Inc. | \$600.0 | 100% | \$13.2 | 1.5x |
| 9/21/22 | Patriot Capital Advisors LLC | Fiera Capital Corporation | \$48.5 | 75% | \$6.2 | 9.4x |
| 11/10/21 | Rookle Advisors | Vontobel Holding AG | \$82.0 | 100% | \$91.2 | 5.3x |
| 6/4/21 | Conning & Company Inc. | Cathay Life Insurance | \$240.0 | 97% | \$21.4 | 1.4x |

[1] As of the close of the Transaction

■ USA ■ International

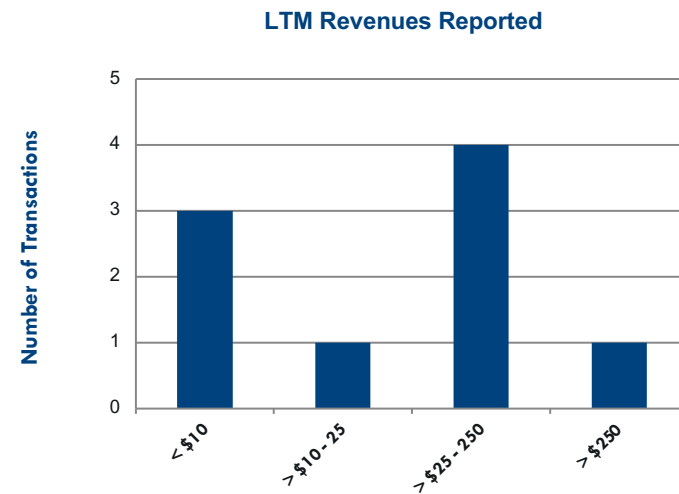
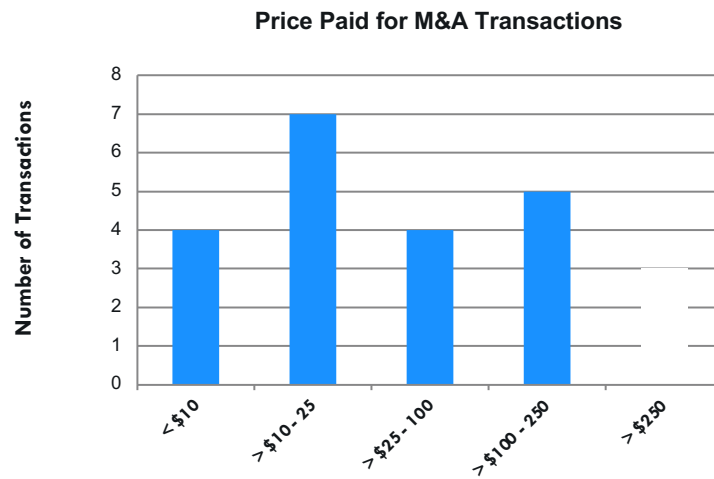
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Net Income ¹ |
|--|-----------------------------|------------------------------|------------------|-------------|-----------------------------|
| 5/2/21 | AE Financial Services Ltd | Harwood Wealth Management | \$8.6 | 100% | 100% |
| 3/1/21 | Hargreave Hale Limited | Canaccord Genuity Wealth | \$102.9 | 100% | 100% |
| 2/20/21 | Prosperitas Advisers | Succession Advisory Services | \$27.3 | 100% | 100% |
| 12/26/21 | Calamos Asset Management | Calamos Partners LLC | \$201.6 | 100% | 100% |
| 11/28/21 | Buttonwood Finance Limited | Neo-Neon Holdings Limited | \$24.2 | 100% | 100% |
| 11/1/21 | Siebert Financial Corp. | N/A | \$13.7 | 100% | 87% |
| 11/21/20 | M&O Systems, Inc. | Broadridge Financial | \$25.0 | 100% | 100% |
| 10/10/20 | STI Securities & Wealth | Gold Castle Group Limited | \$2.2 | 100% | 100% |
| 9/4/20 | Samson Capital Advisors LLC | Fiera Capital Corporation | \$48.5 | 100% | N/A |
| 9/3/20 | Finter Bank Zürich AG | Vontobel Holding AG | \$82.0 | 100% | N/A |
| Median of the M&A Transaction Targets | | | \$135.0 | 100% | \$69.7 |

[1] As of the close of the Transaction

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



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.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

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