



Retirement Industry Overview

SUMMER 2022

Retirement Market Summary

Summer 2022 Industry Updates and Drivers

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Select Market Drivers

Market Overview

- The retirement market is massive, exceeding \$37 trillion in assets.
- More than \$10 trillion invested in defined contribution (DC) plans, including \$7 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.
- Businesses are experiencing shifting employment dynamics during the "Great Resignation." C-Suite executives understand that health, wealth, and benefits will be key in recruiting moving forward; we are likely to see the emergence of platforms that can focus on this convergence and provide holistic offerings.

Robust Mergers and Acquisitions Activity

- M&A activity within the retirement space continues to increase as there were more than twice as many deals in 2021 (76) than 2020 (32).
- Retirement and wealth continue to converge; emerging multi-functional platforms (CAPTRUST, Creative Planning, Hub, etc.) are showing they can fully service participants while offering equally capable wealth management and financial planning.
- PE-backed involvement remains high with 11 retirement transactions in 1H 2022; PE-backed serial acquirers are among the most active.
 - Key transactions include the PE sale of ReverseVision and sale of PE-backed Stadion Money Management.

Retirement Trends

- Several notable trends have emerged in the retirement market:
 - **Addressing the Savings Gap:** Sponsors and regulators are trying to reduce the \$4 trillion retirement savings gap.
 - **Technology:** Leveraging recordkeeper data to better understand participants and create customized solutions.
 - **Wellness:** Reducing financial stress through increased planning.
 - **Alternative Funding:** Retirement income and alternate sources of funding.
 - **Digital Assets:** Whether they are a suitable investment option for retirement.

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 \$145 billion in AUM since 2015.

U.S. Retirement Market

Key Trends Prevailing in the Space

As participants are more active in retirement planning and aware of their options, retirement advisors and plan providers are seeing an increased focus on savings trends, technology, wellness, alternative funding, and digital assets.

Select Market Trends

Addressing the Savings Gap



- The COVID-19 pandemic jolted awareness about the need for short- and long-term savings; employers and regulators are hyper-focused on closing the retirement savings gap, which is estimated at ~\$4 trillion.
- Research shows QDIA and auto-enrollment are features that can dramatically impact savings.
- Though DC plans shift onus to participants, providers are inherently bearing more responsibility as participants are seeking help with saving and advice on investing.
- Providers are leveraging common technology to connect retirement benefits with other employee benefits to create a unified employee benefits ecosystem.

Customization With Data and Technology



- Increased focus on customization is shedding light on pitfalls of target date funds (TDFs). Retirees need customization, beyond age, to address financial needs, spending behaviors, and risk tolerances. TDFs are adequate diversified glidepath options for inexperienced investors, but high expenses might not be worth the limited customization.

Benefits, Health, and Wellness



- 78% of employees rely on their employers for advice and support on how to achieve lifetime financial goals; 53% indicated that they want help specifically with saving for retirement.
- Economists have uncovered predictable and irrational ways humans make decisions, evident in saving and investing behavior. Without programs to overcome these behavioral issues, many will not be able to comfortably retire, and employers will suffer. Responsible plan sponsors should consider the powerful/positive impacts of behavioral-based programs that automate savings decisions.

Alternative Funding Sources in Retirement



- Key products: Refinancing, home equity line of credit (HELOC), reverse mortgage.
- A record \$7 trillion in untapped equity among seniors will prove to be a source of funding to close the gap between increasing healthcare costs and the funds provided by Social Security and retirement savings.
- The post-pandemic environment has also fueled the trend to safely age in place, making reverse mortgages an increasingly attractive option.

Digital Assets in Retirement

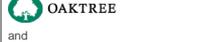
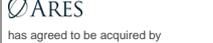
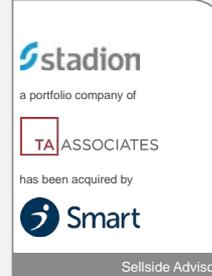
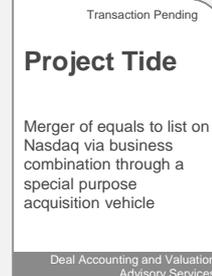
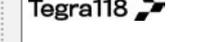


- Traditional recordkeepers and robo-advisors are beginning to offer cryptocurrency investment options within 401(k) plans; these announcements have been met with cautious guidance from the Department of Labor.
- Legislative guidance cautions plan sponsors away from digital assets in 401(k)s, but crypto advocates are likely to push back on any new restrictive legislation.
- Businesses must decide whether to offer digital assets and cryptocurrency investment to their employees, understanding the inherent risks and volatility but fearing new talent may be lost if they don't provide the option.

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Recent Retirement and Wealth Transactions

Houlihan Lokey Transaction Spotlight

Transaction	Deal Date	Deal Value	Target Description	Houlihan Lokey Role
<p>Transaction Pending</p>  <p>Ascot Lloyd a portfolio company of funds managed by</p>  <p>OAKTREE and</p>  <p>ARES has agreed to be acquired by</p>  <p>NORDIC CAPITAL</p> <p>Sellside Advisor</p>	April 2022	Not Disclosed	One of the largest U.K. independent financial advisory businesses, serving over 20,000 clients through more than 500 staff across 17 U.K. locations.	Sellside Advisor
 <p>VISTRIA</p> <p>has made a strategic partnership in and recapitalization of</p>  <p>TMG THE MATHEW GROUP</p> <p>\$8.0 billion AUM Wealth Manager</p> <p>Financial Advisor</p>	March 2022	Not Disclosed	Fee-only fiduciary firm serving primarily high-net-worth individuals, with approximately \$8.0 billion in AUM, ranked in the Top 100 RIA Firms in the country for the past four years.	Financial Advisor
 <p>CARDALE <small>Asset Management</small></p> <p>Investment management • stockbroking • financial planning</p> <p>has been acquired by</p>  <p>TITAN</p> <p>Wealth</p> <p>Sellside Advisor</p>	February 2022	Not Disclosed	Independent investment management business, providing portfolio management, stockbroking, and financial planning services to private clients.	Sellside Advisor
 <p>ReVerse VISION</p> <p>a portfolio company of</p>  <p>TVC CAPITAL</p> <p>has been acquired by</p>  <p>CONSTELLATION</p> <p>Sellside Advisor</p>	February 2022	Not Disclosed	Provider of mortgage technology solutions, supporting home equity conversion mortgage and private reverse mortgage origination products.	Sellside Advisor
 <p>stadion</p> <p>a portfolio company of</p>  <p>TA ASSOCIATES</p> <p>has been acquired by</p>  <p>Smart</p> <p>Sellside Advisor</p>	January 2022	Not Disclosed	Leading managed account DC technology platform utilizing its proprietary technology to service over \$2.3 billion in AUM and more than 4,000 plans.	Sellside Advisor
<p>Transaction Pending</p>  <p>Project Tide</p> <p>Merger of equals to list on Nasdaq via business combination through a special purpose acquisition vehicle</p> <p>Deal Accounting and Valuation Advisory Services</p>	September 2021	\$1.4 Billion	Investment advisor for high-net-worth families, trusts, foundations, and endowments. Privately owned investment firm, global multifamily office, and merchant banking boutique.	Deal Accounting, Financial Reporting, and Valuation Advisory Services
 <p>RetireUp</p> <p>has been acquired by</p>  <p>Tegra118</p> <p>a portfolio company of</p>  <p>MOTIVE PARTNERS</p> <p>Sellside Advisor</p>	June 2020	Not Disclosed	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.	Exclusive Financial Advisor

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**

”

Transaction Rationale

- The acquisition expands CMS' overall footprint and availability of its platforms and services.
- 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.
- 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 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.
- Offers a broad range of retirement products ranging from self-service retirement income solutions to customized platform options for employers, advisors, and participants.
- As of July 31, 2021, Smart had over \$2 billion in assets on its platform, serving more than 70,000 retirement plans.

Stadion Overview



- Stadion is a leading managed account DC technology platform utilizing its proprietary technology.
- Integrates with recordkeepers to offer low-cost personalized retirement solutions on a mass scale within the U.S. retirement plan market.
- Offers both its signature StoryLine managed account solution and tech-only services.
- 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, and was able to successfully navigate a challenging market environment amid COVID-19.

Transaction Overview

- 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 Tegra118, an established leader in the wealth management industry... Our combined offerings give Tegra118 an edge in addressing the growing market for lifetime income solutions*

—**Michael Roth, President of RetireUp**

”

Sources: Public filings, transaction press release.

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.

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 Related Engagements

Transaction Pending

Ascot Lloyd
a portfolio company of funds managed by

OAKTREE
and

ARES
has agreed to be 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

Reverse VISION

a portfolio company of

TVC CAPITAL

has been acquired by

CONSTELLATION MORTGAGE SOLUTIONS

Sellside Advisor

stadion

a portfolio company of

TA ASSOCIATES

has been acquired by

Smart

Sellside Advisor

Transaction Pending

Project Tide

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

Deal Accounting and Valuation Advisory Services

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

funds managed by

IK Investment Partners **ICG**

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 **FRANZOSI FUNG**

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 2018 forward.

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

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U.S. Retirement Market

Overview

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

U.S. Retirement Market Overview

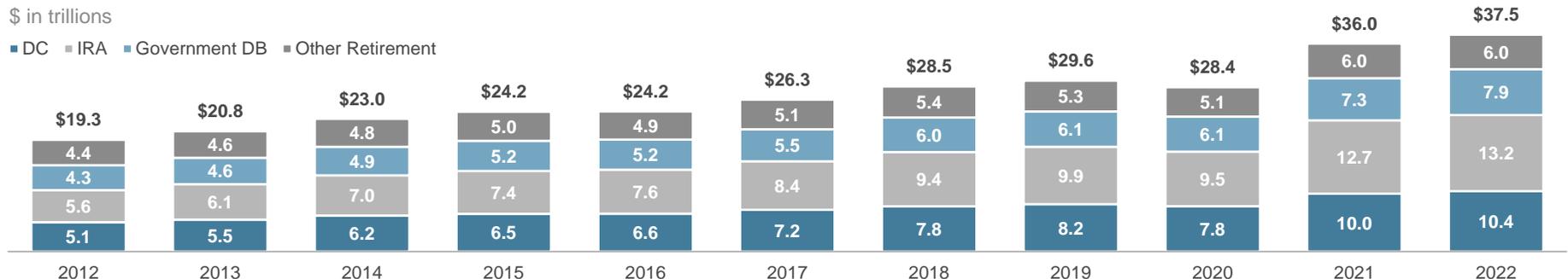
- U.S. retirement assets more than doubled from \$18.5 trillion to \$37.5 trillion over the past decade, growing at a 6.6% CAGR (Q1 2011 – Q1 2022).
 - 401(k) and other DC plans have retained a steady ~28% share, growing at an 8.9% CAGR (2010–2021).**
- Longer life expectancies, increased retirement ages, and regulatory changes have spurred growth into self-directed assets.
- Participants are tending to stay the course, with ~80% not making any contribution or investment changes as a result of COVID-19.**
 - With increased volatility, it is important for companies to supplement retirement with other benefits, planning, and wellness offerings to differentiate capabilities and retain client assets.

Industry Tailwinds

- Demographics:** Millennials and Gen Zs contribute more as life expectancies increase and they are more focused on financial wellness.
- Regulation:** The SECURE Act broadened coverage for U.S. workers with PEPs/MEPs expected to drive growth from increased scale.
- Preferences:** Contributions, demand for diversification, and advice are growing with auto-enrollment and company match programs.
- Post-Retirement:** Opportunity for new products and services to meet goals as 401(k) plans are expected to persist into retirement.
- Custody:** The custody industry continues to consolidate as banks sell off operations and global regulations favor large providers.

*DB plans dropped from 37% of U.S. retirement assets in 1985 to just under 10%, highlighting the shift in **role and responsibility** in allocation of contribution from **the employer to the participant**.*

U.S. Total Retirement Assets⁽¹⁾



Sources: ICI Release's Quarterly Retirement Market Data First Quarter 2022, JP Morgan 2021 Defined Contribution Plan Participant Survey.

(1) Data as of Q1 each year.

U.S. Retirement Market

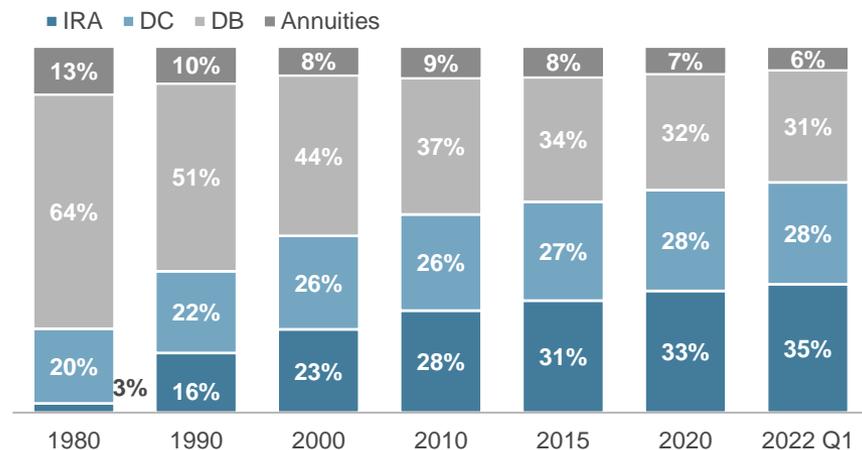
Participant Demographics and Role

Nearly two-thirds of all U.S. retirement assets are held in IRAs and DC plans, and by younger participants who will continue to accumulate wealth and contribute.

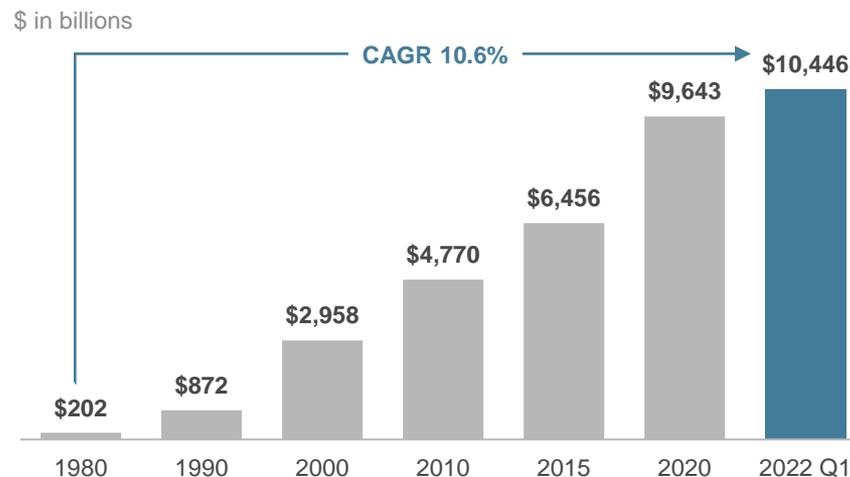
Shifting Responsibility Toward the Participant

- 40 years ago, IRAs and DC plans accounted for 23% of retirement market assets, while DB plans accounted for 64% of assets.
- Today, IRAs and DC plans account for 63% of all U.S. retirement assets (~\$24 trillion 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.
 - Automatic enrollment has shown to be an impactful tool, as plans offering this feature have twice the participation rate (82% vs. 42%).

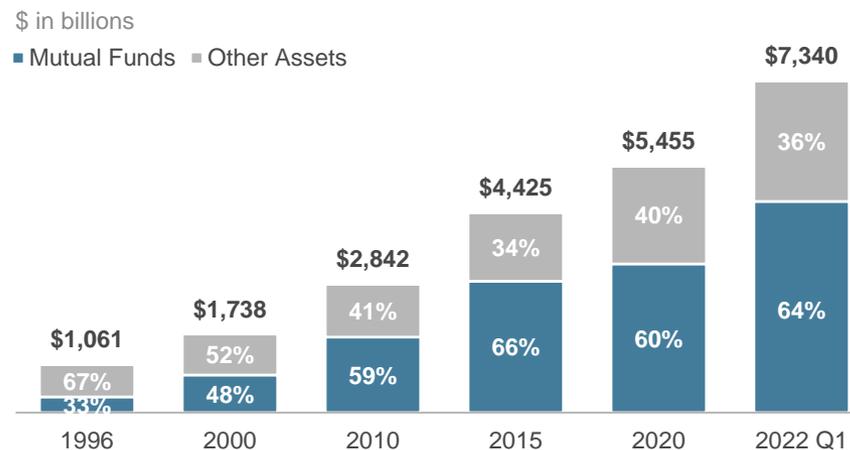
Historical Share of U.S. Market by Plan Type



Historical DC Plan Assets



401(k) Assets by Asset Type



U.S. Retirement Market

DC Is a Large and Growing Market

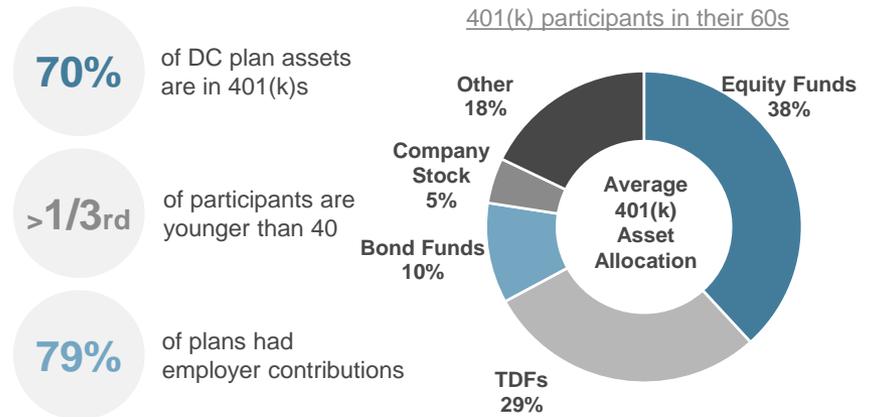
DC Market Overview

- The U.S. DC market is rapidly growing, with \$12.7 trillion projected assets by 2025.
 - As of 2021, ~\$7.2 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.
- As investors navigate macroeconomic risks and related market volatility, retirement plans continue to be a significant benefit for employees.
- Participants are looking to employers for retirement advice from accumulation to decumulation; holistic strategies inclusive of features like QDIA, auto-enrollment, reenrollment, and financial wellness can better fund plans and help close the savings gap.

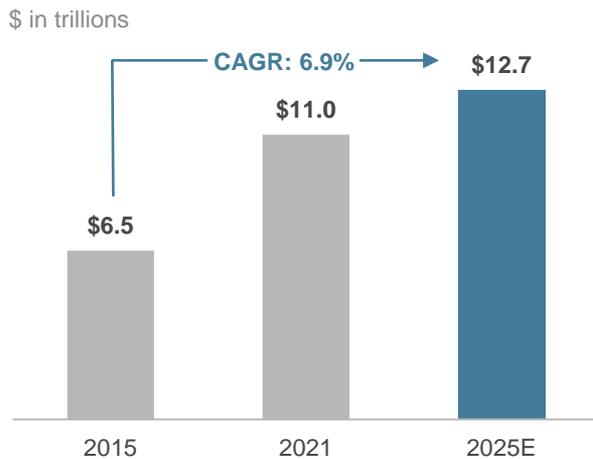
Average Asset Allocations

\$10.4 trillion assets held in DC plans in the U.S. as of 2022 Q1

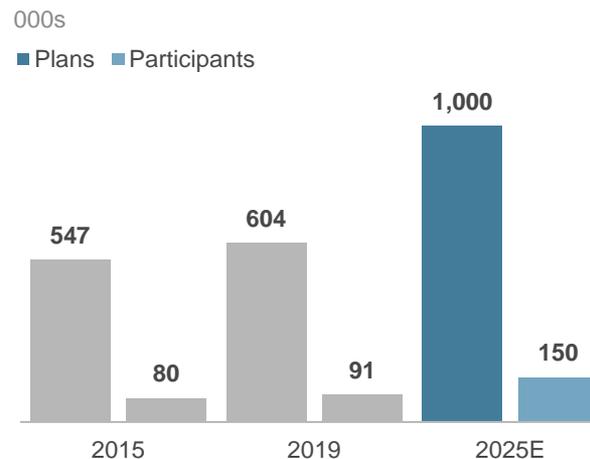
401(k) participants in their 60s



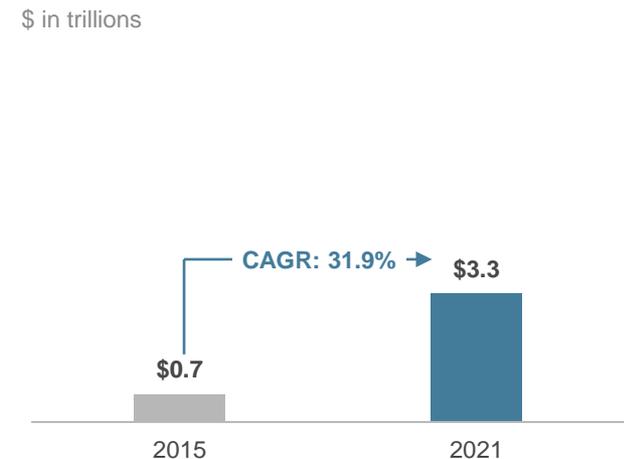
Assets in the DC Market



401(k) Plans and Participants



Assets Held in Target Date Funds



Sources: BenefitsPro, Department of Labor, ICI 2022 Factbook, ICI Release's Quarterly Retirement Market Data First 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".

U.S. Retirement Market

Trends in the DC Market

The DC market continues to evolve as regulation, investment vehicles, demographics, and strategies drive change for better retirement outcomes.

Recent Market Legislation

- New developments and recent regulation are likely to shape the retirement market over the next several years.
 - **SECURE 2.0:** Bipartisan legislation enabling increased savings opportunities and added incentives for saving. Key provisions include later required minimum distributions, increased catch-up contributions, part-time employee 401(k)s, and **100% credit for small business 401(k) startup costs.**
- Legislators are exploring options to create a federal auto-IRA and enable matching contributions against student loans.
- The Department of Labor issued a controversial compliance release instructing companies to “exercise extreme care” in allowing digital assets in 401(k) lineups.

Themes Creating Opportunities

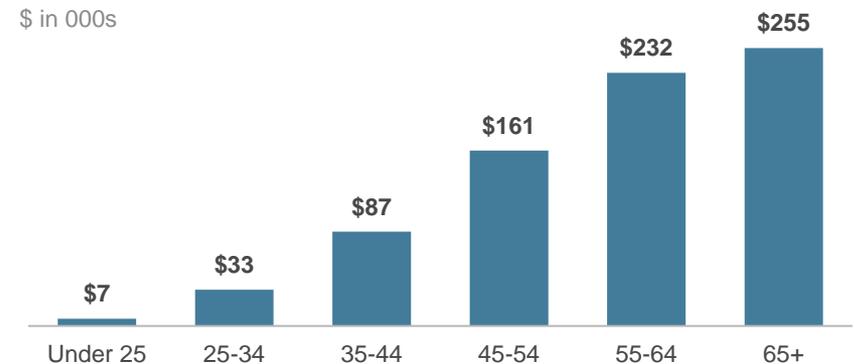
Reframe the Participant Experience

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

Tech-Enabled 401(k) Options

- Most millennials and Gen Zs have never received financial advice, but interest has increased over the past year.
- These generations are twice as likely as baby boomers to consider robo-advisors.
 - With 45% of millennials having either a 401(k) or an IRA, the market for retirement advice is burgeoning.
 - A low-cost, tech-enabled 401(k) option for retirement savings is a natural corollary to address this growing demand.
- Assets accumulate more quickly for individuals under 50; being able to successfully market and attract these accounts can increase LTV for providers.

Average 401(k) Balance by Age



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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-Corps.
- **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 investment 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. Among other requirements, all loans must be nonrecourse, properly documented with promissory notes, and based on arm's-length terms.
- **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.

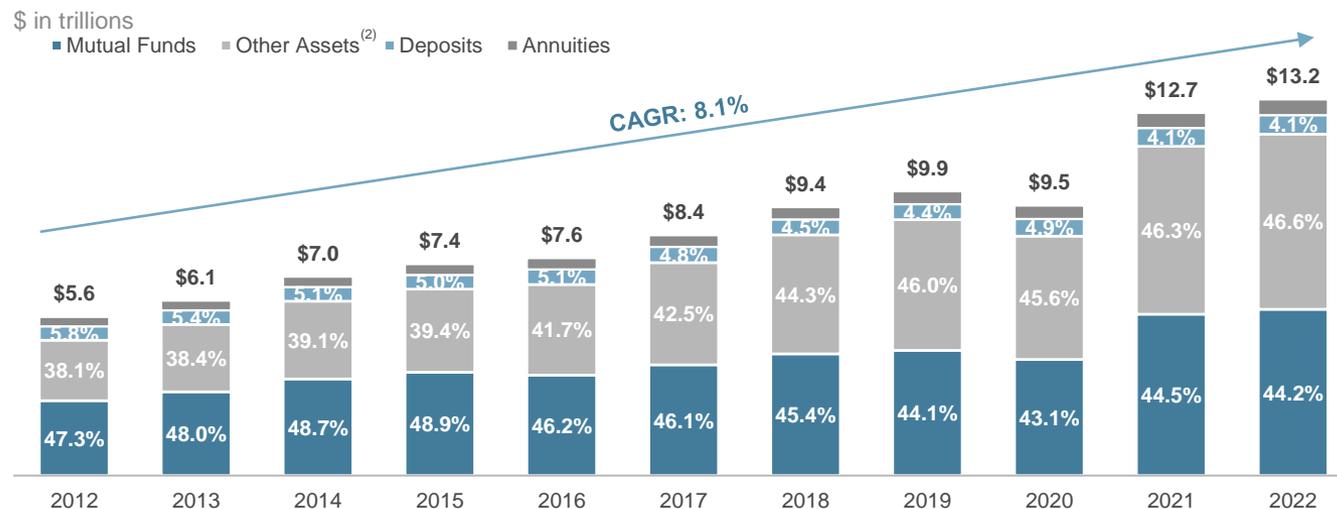
U.S. Retirement Market

IRA Assets

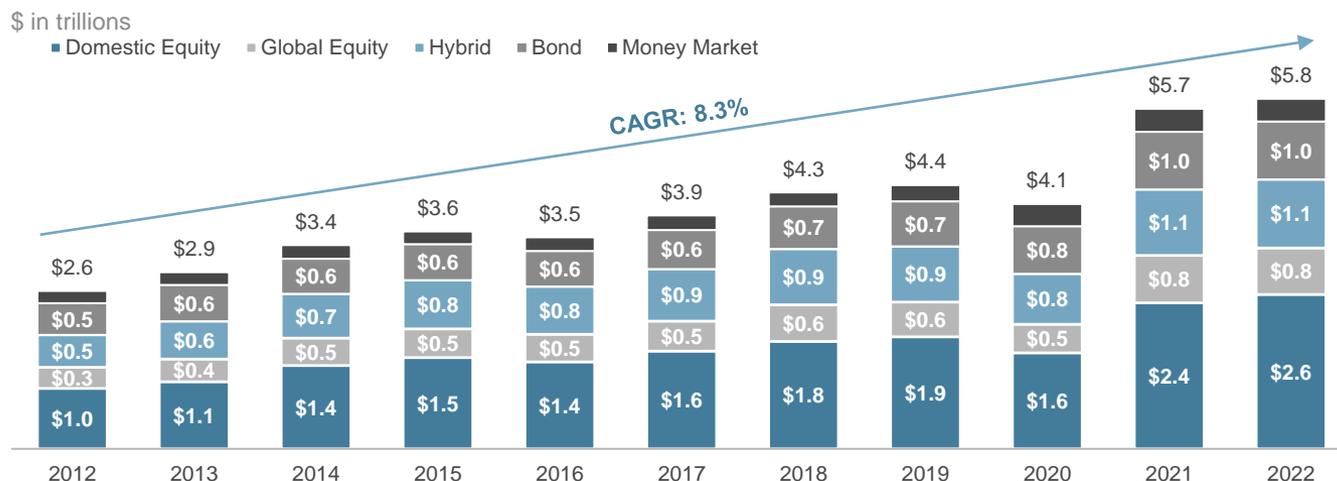
Overview

- IRAs have more than doubled in total assets over the past decade and make up more than 35% of the current retirement fund market.
- IRAs are the fastest-growing segment of the retirement market.
- Allocation within IRAs is shifting from mutual funds to other assets; the other assets category has a CAGR of 11.2% over 10 years, tripling from \$2.1 trillion to \$6.2 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⁽¹⁾



IRA Mutual Fund Holdings by Type⁽¹⁾



Source: ICI Release's Quarterly Retirement Market Data First Quarter 2022.

(1) Data as of Q1 each year.

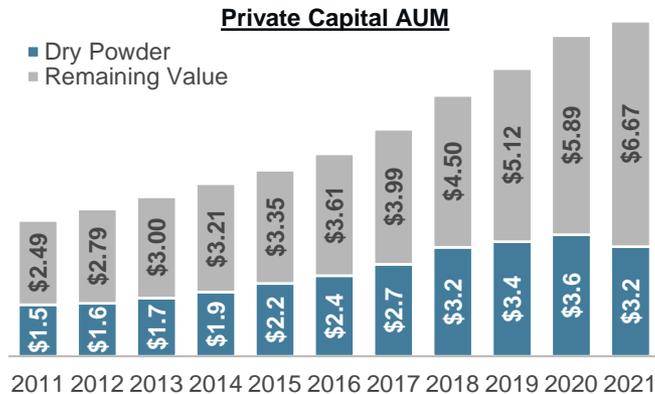
(2) Other assets includes individual stocks, individual bonds, closed-end funds, ETFs, and other assets held through brokerage or trust accounts.

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.

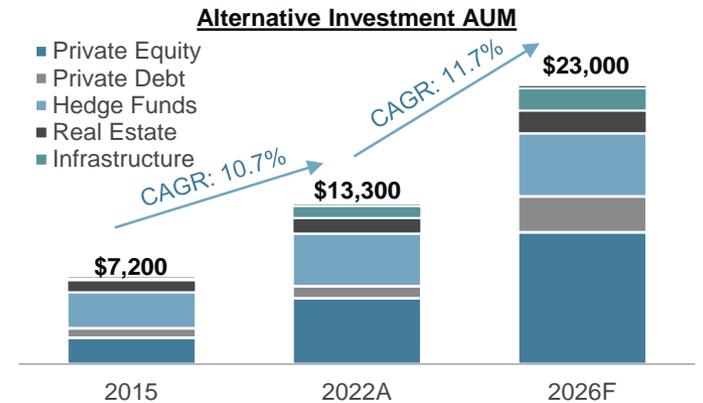
Ongoing Market Expansion	<ul style="list-style-type: none"> From 2015 to 2021, AUM across all alternative asset classes increased at a CAGR of 10.7%. <ul style="list-style-type: none"> As of the end of 2021, AUM stood at \$13.3 trillions and is expected to reach \$23 trillions in 2026 for a CAGR of 11.7%. 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.



\$13.2T
IRA Total AUM

\$400B–\$525B
IRA Funds Invested in Alternative Assets⁽¹⁾

10,000
Baby Boomers Retiring Per Day



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

(1) Assumes 3%–4% of IRA Assets are invested in Alternatives.

U.S. Retirement Market

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 of 2022.
 American IRA Self-Directed IRAs and 401ks	Third-party administrator of self-directed 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 A Different Way to Invest	Third-party administrator of SDIRAs with nearly 20 years of organizational experience and 15–20 employees.
 DIRECTED IRA by Directed Trust Company	SDIRA custodian offering full-service retirement and pension services with a focus on self-directed retirement accounts.
 Entrust GROUP	Third-party administrator of SDIRAs and tax-advantage 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 over 37,000 clients with more than \$2.7 billion in AUC. ⁽¹⁾
 IRA FINANCIAL	Facilitator of SDIRAs that has helped more than 20,000 clients invest \$4.6 billion in alternative assets.
 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⁾
 MELAND 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 alternative retirement investment platform; Raised \$8.05 million Series A in 2021.
 SLAVIC 401K	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 assets continue to gain interest as M&A and capital raise targets across varying segments of the financial services industry, as tailwinds expand industry consolidation.

Factors Influencing Consolidation

Innovation in Retirement Drives New Interest



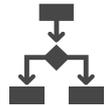
- Innovative companies are disrupting the retirement market with newfound technology and ways to reach the end participant; these innovators have caught the attention of PE firms that are deploying capital into the space via direct funding or through their platforms (Pontera raise, GTCR/CAPTRUST, etc.).
- Consolidation is underway, but there are still new aggregators with fresh PE-backing entering the retirement M&A market (Charlesbank/World Insurance Associates, etc.).

Large Market With New Ways to Monetize Plan Assets



- Recordkeepers have an opportunity to generate additional revenue beyond traditional fees for servicing retirement plans, through offerings such as investment/wealth management, IRA rollovers, cross-selling, managed accounts, and annuities.
- Retirement and wealth-focused consolidators are acquiring retirement assets while concurrently building out wealth/investment and wellness capabilities in efforts to monetize plan assets through higher margin offerings.

In-Plan Customization



- User-friendly, customized experiences are differentiators in a market where employees need unique financial support.
- 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 With Lower Cost Structures



- 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.
- Curated data and predictive analytics can be used to advise consumers on how and when to save and help plan for decumulation (selling homes and assets, claiming Social Security, etc.).
- Robo-advisors are accelerating fee compression, and competition, and prompting further consolidation.

Turnkey Innovators for Small and Midsized Plans



- Currently, there are 60 million people without workforce savings, granting a suite of businesses the ability to capture a new portion of the market.
- The opportunity is particularly attractive for B2B2C players, or any companies engaging in direct marketing origination to companies without plans.

Market Map

Retirement Market

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



New Turnkey Entrants



Traditional/High-Touch Wealth



Income Discovery



Annuities



U.S. Retirement Market

Industry Benchmarking

The retirement landscape features a handful of large players, and we are beginning to see consolidation among large acquirers.

Recordkeeper Highlights

- The top 10 providers hold more than \$8 trillion plan assets, with the remaining providers holding ~\$1.7 trillion.
- Fidelity accounts for more than 30% of all DC recordkeeping assets, while the top five providers accounts for more than 60%.
- The top 10 providers average \$800 billion in assets, 23,000 plans, and 8 million participants.
- Empower has risen through the league table ranks, acquiring the retirement businesses of Fifth Third, MassMutual, Prudential, and Truist since Q3 2020.

Top 10 Providers by Assets⁽¹⁾

		Total		
Rank	Provider	Assets ⁽¹⁾	Plans ⁽¹⁾	Participants
1	Fidelity Investments	\$3,169,000	33,945	25.8
2	Empower ⁽²⁾	1,331,000	66,943	16.6
3	TIAA-CREF	710,000	25,652	6.4
4	Vanguard Group	702,000	1,834	4.7
5	Alight Solutions	545,000	236	4.8
6	Voya Financial	499,000	51,389	6.1
7	Principal Financial Group	449,000	44,381	9.6
8	Bank of America	346,000	3,246	3.6
9	T. Rowe Price Group	268,000	6,067	2.2
10	Schwab Retirement Plan Services	215,629	1,097	1.4
Total		\$8,234,629	234,790	81.2
Mean		823,463	23,479	8.1
Median		522,000	15,860	5.5

Sources: Pensions & Investments, PlanSponsor, Retirement Advisor.

(1) Asset data as of September 30, 2021. Plan and participant data as of June 30, 2021.

(2) Empower totals adjusted to reflect the acquisition of Prudential.

(3) Data as of March 30, 2021. Excludes PensionMark, who was recently acquired.

Aggregator Highlights

- AJG, CAPTRUST, Hub, NFP, and SageView are notable names as they operate affiliated RIAs and have also been branded serial RIA aggregators.
- CAPTRUST has by far the largest AUA but is noticeably lagging in revenue. This firm will be a key test in the market for the wealth conversion thesis.
- In Q2 2022, a serial insurance acquirer, World Insurance Associates, acquired PensionMark (RPA, RIA, and BD). This transaction followed a growth investment from Charlesbank and highlights buyers' interest in retirement assets across the financial services industry.

Top 10 Retirement Aggregators by Assets⁽³⁾

		Total			
Rank	Provider	Assets	Plans	Retirement Revenue	Firm-Wide Revenue
1	CAPTRUST	\$480,000	2,975	\$140	\$255
2	Retirement Plan Group	300,000	1,750	100	2,000
3	NFP	200,000	2,200	161	2,000
4	SageView Advisory Group	115,000	1,200	43	47
5	Hub International	96,000	5,375	66	2,400
6	Arthur J. Gallagher	45,000	1,700	75	8,000
7	OneDigital/Resources	41,000	2,300	70	600
8	CBIZ	40,000	1,406	32	1,000
9	Marsh & McLennan	37,000	1,500	30	2,000
10	USI Insurance Services	23,000	1,800	75	2,000
Total		\$1,377,000	22,206	\$792	\$20,302
Mean		137,700	2,221	79	2,030
Median		70,500	1,775	73	2,000

Robust Retirement M&A Market

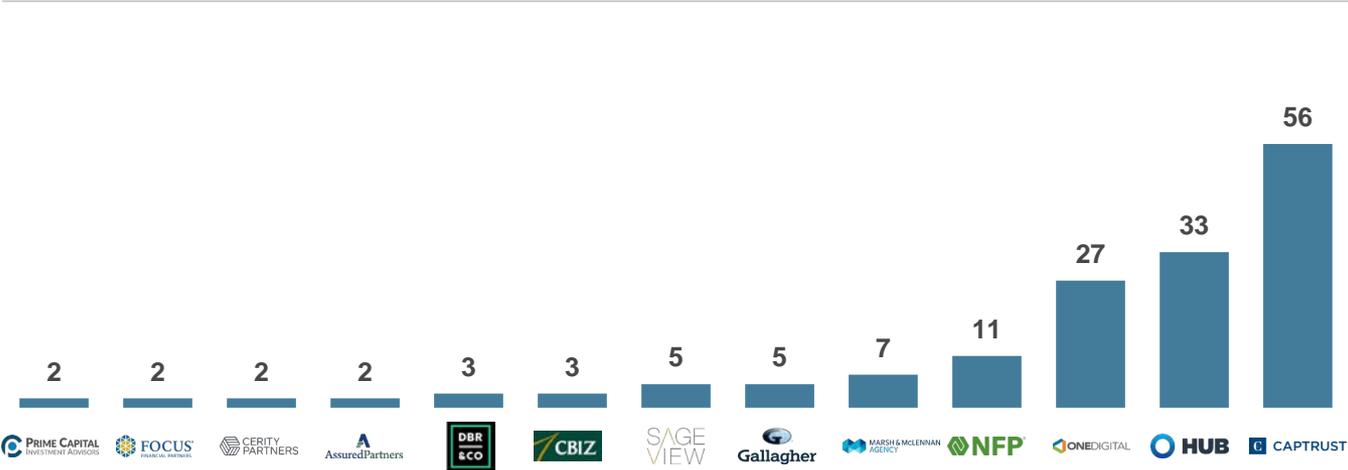
Ongoing Consolidation

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

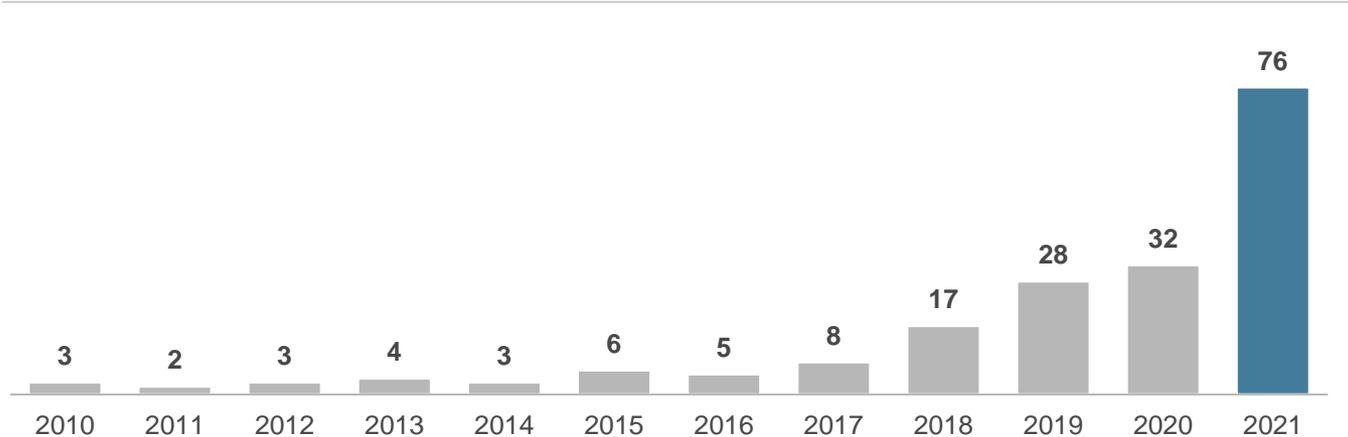
Market Dynamics

- 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.

Cumulative Historical Serial Acquirer M&A Activity



Retirement Market M&A Activity



Sources: Industry news reports and research.

Valuation

Recent Select Retirement Transaction Activity

\$ in millions

Announced Date	Company	Activity	Target	Amount	Target Subvertical/Investor(s)
July 2022	 Smart Pension	Capital Raise	N/A	\$40	New Turnkey Entrant CIBC Innovation Banking
July 2022	 First Trust	Buys		--	Direct Indexing
June 2022		Buys		--	HSA ⁽¹⁾ Provider
June 2022		Buys		--	Retirement Plan Consulting
June 2022		Buys		--	Robo-Retirement
June 2022		Buys		--	Retirement Plan Consulting
March 2022		Buys		--	Retirement Plan Consulting
March 2022		Buys		7,159	Customization
March 2022		Buys		--	Aggregator
February 2022	 Pontera <small>formerly FeeX</small>	Capital Raise	N/A	80	Customization Founders Kitchen/ThirdStream Partners
February 2022		Buys		--	Fintech—HSA ⁽¹⁾ Provider
February 2022	Morgan Stanley	Buys		--	Retirement Business
February 2022		Buys		--	Mortgage Software Solutions
January 2022		Buys		--	Retirement Business
January 2022		Buys		--	Retirement Business
January 2022	 Smart Pension	Buys		--	Managed Account Provider

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)
December 2021	 SAGE VIEW	Buys	 Capital One	--	Wealth Tech
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
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

Houlihan Lokey Advised Transaction Private Equity-Backed

Robust Retirement M&A Market

Creating Regional Hubs

Over the past five years, serial acquirers have been strategically expanding in efforts to establish multi-disciplinary hubs across the country.

	 CAPTRUST RIA Aggregator	 HUB Insurance Broker	 SAGE VIEW RIA Aggregator	 ONEDIGITAL Insurance Broker	 WORLD Insurance Broker	 NFP® Insurance Broker	 MARSH & MCLENNAN AGENCY Insurance Broker
Northeast	2	1	7	1	0	1	1
Mid-Atlantic	6	2	12	5	6	4	1
Southeast	5	4	4	7	4	5	2
Mid-Central	5	7	4	2	0	2	1
Midwest	2	4	0	3	3	2	1
Southwest	2	4	4	1	5	1	0
Mountain	0	2	3	1	2	0	0
West	4	13	5	8	13	4	1
Total Transactions⁽¹⁾	26	21	19	18	16	14	7
Total Regions Covered	7	8	7	8	6	8	6

Sources: Industry news reports and research.

(1) Includes retirement and wealth deals.

Select Company Profiles

Traditional Recordkeepers

Company	Location	Company Description
	Greenwood Village, CO Founded: 2018	<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 Registered Investment Advisor (RIA) (Oct. 2020). ▪ Other Information: EdgeCo has more than \$130 billion in AUM and approximately 500 employees.
	Greenwood Village, CO Founded: 1891	<ul style="list-style-type: none"> ▪ Overview: Retirement plan provider in the U.S., with more than 12.8 million participants. <ul style="list-style-type: none"> ▪ Advisory services, financial wellness, enhanced benefit services, retirement solutions, and plan management. ▪ Individual retirement account, roll-in service, brokerage account, and HSA. ▪ M&A and Capital-Raise Activity: Prudential Financial, Inc., a provider of financial services (Jul. 2021), Massachusetts Mutual Life Insurance, a provider of corporate and state government retirement plans (Jan. 2021), and Personal Capital, a provider of digital wealth management services (Aug. 2020). ▪ Other Information: The company has approximately 8,000 employees.
	Pittsburgh, PA Founded: 2004	<ul style="list-style-type: none"> ▪ Overview: Mid Atlantic Trust Company is a nondepository 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, subcustody, 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 of 2022. ▪ Other Information: The company has more than 100 employees and is owned by EdgeCo.
	Washington, DC Founded: 1972	<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, government, 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.
 CRESSET.	Chicago, IL Founded: 2017	<ul style="list-style-type: none">▪ Overview: Cresset Capital Management provides personalized investment advisory and financial services to founder CEOs, entrepreneurs, partners, wealth creators, high-net-worth individuals, and multi-generational families.<ul style="list-style-type: none">▪ Services include goals-based financial planning, investment advisory, family-office wealth management, banking and lending, and trust services.▪ M&A and Capital-Raise Activity: Recently, Cresset Asset Management announced its plans to merge with Berman Capital Advisors, creating a \$20 billion multi-family office serving clients across the country.▪ Other Information: The company has more than 200 team members across 12 offices.
 PRIME CAPITAL INVESTMENT ADVISORS	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); received an undisclosed amount of development capital from LNC Partners (Oct. 2019).▪ Other Information: The company has approximately 148 employees.
 SAGE VIEW	Newport Beach, CA Founded: 1989	<ul style="list-style-type: none">▪ Overview: Investment management and management consultant firm that helps companies create new plans, revise existing plans, and assists with compliance, communication, and process development.<ul style="list-style-type: none">▪ Helps plan strategies meet sponsor objectives, 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

Aggregators (cont.)

Company	Location	Company Description
 The logo for Tiedemann Advisors, featuring a stylized 'T' icon composed of three squares (two blue, one black) to the left of the text 'TIEDEMANN' in a bold, sans-serif font, with '—ADVISORS—' in a smaller font below it.	New York, NY Founded: 1999	<ul style="list-style-type: none">▪ Overview: Tiedemann Advisors is an independent investment and wealth advisor for high-net-worth individuals, families, trusts, foundations, and endowments.<ul style="list-style-type: none">▪ Offers financial planning, investment management, impact investing advisory, as well as trust and estate, endowment, and foundation consulting services.▪ M&A and Capital-Raise Activity: In September 2021, Tiedemann and Alvarium announced a merger to form Alvarium Tiedemann (AlTi), an approximately \$1.4 billion company in equity value.▪ Other Information: As a stand-alone company, Tiedemann has roughly \$27 billion in AUA.

Select Company Profiles

Robo-Retirement/WealthTech/SDIRAs

Company	Location	Company Description
	Overland Park, KS Founded: 2013	<ul style="list-style-type: none">▪ Overview: Operates as an investment advisor that provides a financial management and investment advisory platform to optimize wealth management and 401(k) retirement accounts.▪ Offers solutions such as financial advice, portfolio rebalancing, robo advising tools for 401(k), investment strategies, risk allocation, and fund strategies and monitoring.▪ Other Information: Bloom has more than \$5 billion in AUM and 26 employees. 2020 revenues were approximately \$5.5 million.
	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.
	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.▪ 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 AUM and more than 300 employees.
	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.

Select Company Profiles

Robo-Retirement/WealthTech/SDIRAs (cont.)

Company	Location	Company Description
	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.▪ 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 at \$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.▪ 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.
	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.▪ 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 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.▪ 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
	New York, NY Founded: 2017	<ul style="list-style-type: none">▪ Overview: RealBlocks is a technology platform that connects advisors and investors to the best alternative investment managers.<ul style="list-style-type: none">▪ The firm's platform assists managers to raise capital in any international market by connecting with institutional and intermediary channels.▪ M&A and Capital-Raise Activity: The company received \$3 million of debt financing in the form of a term loan from Silicon Valley Bank in July 2021.▪ Other Information: The company has roughly 50 employees.
	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.
	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.

Select Company Profiles

Customization

Company	Location	Company Description
	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.<ul style="list-style-type: none">▪ 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 into recordkeepers, including providers Allianz, Franklin Templeton, Leafhouse and Stadion...with more in process▪ 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 ten 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 for retirement plans.<ul style="list-style-type: none">▪ 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 recordkeeping platforms.
	New York, NY Founded: 2012	<ul style="list-style-type: none">▪ Overview: Designs, develops, and operates a retirement and wealth management advisory platform.<ul style="list-style-type: none">▪ 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.
	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.

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 managed accounts solution for client's competitive employee benefits package.▪ Other Information: ProManage has approximately \$5.1 billion in AUM and 20 employees. 2020 revenues were approximately \$4.6 million.
	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

New Turnkey Entrants

Company	Location	Company Description
	Austin, TX Founded: 2019	<ul style="list-style-type: none">▪ Overview: Provides plan administration, recordkeeping, and investment management services to employer-sponsored retirement plans.<ul style="list-style-type: none">▪ 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 (Jul. 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.<ul style="list-style-type: none">▪ Offers solutions such as payroll sync, administrative compliance, investment management, IRS document, 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.<ul style="list-style-type: none">▪ 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 (Jun. 2021).▪ Other Information: Smart has approximately \$2 billion in AUM and approximately 30 employees.
	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.<ul style="list-style-type: none">▪ 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: Sundry Administration, a provider of finance management platform for smart savers and investors and enables them to save and invest small amounts (Nov. 2021), completed Series C funding of approximately \$70 million (Jun. 2021).▪ Other Information: Vestwell has 170 employees and 2020 revenues were approximately \$43.6 million.

Select Company Profiles

Income Discovery

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 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

High-Touch Wealth

Company	Location	Company Description
	La Jolla, CA Founded: 2014	<ul style="list-style-type: none">▪ Overview: AlphaCore is an alternative investment manager focused on allocating funds in stocks, bonds, and real estate.▪ Provides wealth advisory services, creating customized financial and wealth management plans to help clients understand their goals and objectives.▪ Coordinates with a team of industry partners to offer wealth management, financial planning, investment management, retirement planning, estate planning, and legacy planning services.▪ Other Information: The company has more than \$1.2 billion AUM.
	Stamford, CT Founded: 2020	<ul style="list-style-type: none">▪ Overview: A wealth management business delivering best-in-class resources and solutions designed to meet the changing needs of ultra-high-net-worth, family-office, and institutional clients.▪ Provides a select group of clients with the ultimate level of service and attention to help organize and simplify their lives, while providing an expansive menu of institutional caliber products and services.▪ Wrapped in technology that serves as the connective tissue between clients and their advisors in order to create stronger, more personal relationships.▪ Other Information: The company has more than 60 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 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 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 July 31, 2022. 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 August 01, 2022

(Dollars in millions, except per share data)

Company	Ticker	Closing Stock Price	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	Assets Under Mgmt.	AUM	EV /			EV / EBITDA			P / Adj. Earnings		
								2022E Rev.	2023E Rev.	2024E Rev.	2022E	2023E	2024E	2022E	2023E	2024E
WealthTech & Advice																
Broadridge Financial Solutions, Inc.	BR	\$161.34	\$18,913	(11.7)%	(6.9)%	n.a.	n.a.	4.0x	3.8x	3.6x	17.5x	16.5x	16.0x	24.4x	22.6x	19.9x
SS&C Technologies Holdings, Inc.	SSNC	59.07	15,050	(27.9)	(23.3)	n.a.	n.a.	4.2	4.0	3.8	10.9	9.9	9.5	12.3	11.1	10.2
Morningstar, Inc.	MORN	246.00	10,512	(28.1)	(4.6)	n.a.	n.a.	5.5	4.8	4.3	23.7	19.7	16.7	40.2	30.8	24.8
SEI Investments Company	SEIC	55.18	7,476	(9.5)	(9.6)	n.a.	n.a.	3.3	3.4	3.2	10.2	10.8	11.4	14.8	15.1	14.6
Envestnet, Inc.	ENV	57.48	3,172	(27.6)	(23.3)	n.a.	n.a.	2.9	2.6	2.3	16.2	13.2	10.4	29.2	23.3	18.3
AssetMark Financial Holdings, Inc.	AMK	19.74	1,453	(24.7)	(24.7)	58,557	2.6	3.4	2.9	2.5	8.4	7.1	6.0	12.3	10.2	8.3
High				(9.5)%	(4.6)%	\$58,557	2.6%	5.5x	4.8x	4.3x	23.7x	19.7x	16.7x	40.2x	30.8x	24.8x
Mean				(21.6)	(15.4)	58,557	2.6	3.9	3.6	3.3	14.5	12.9	11.7	22.2	18.8	16.0
Median				(26.1)	(16.5)	58,557	2.6	3.7	3.6	3.4	13.6	12.0	10.9	19.6	18.8	16.4
Low				(28.1)	(24.7)	58,557	2.6	2.9	2.6	2.3	8.4	7.1	6.0	12.3	10.2	8.3

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

Note: Financial data as of most recent available; market data as of August 1, 2022.

Select Trading Comparables

Traditional Asset Managers

As of August 01, 2022

(Dollars in millions, except per share data)

Company	Ticker	Closing Stock Price	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	Assets Under Mgmt.	AUM	EV /			EV / EBITDA			P / Adj. Earnings		
								2022E Rev.	2023E Rev.	2024E Rev.	2022E	2023E	2024E	2022E	2023E	2024E
Traditional Asset Managers																
BlackRock, Inc.	BLK	\$671.39	\$101,357	(26.7)%	(23.1)%	\$9,569,513	1.1%	5.8x	5.4x	4.9x	14.5x	13.1x	11.3x	20.0x	17.7x	15.8x
T. Rowe Price Group, Inc.	TROW	123.42	27,855	(37.2)	(40.2)	1,551,800	1.7	4.1	4.1	3.8	9.4	10.0	9.4	14.6	14.0	12.5
Franklin Resources, Inc.	BEN	27.94	13,924	(16.6)	(6.1)	1,477,500	1.3	2.4	2.6	n.a.	8.0	8.5	7.9	8.6	9.2	n.a.
AllianceBernstein Holding L.P.	AB	44.01	11,961	(9.9)	(10.5)	735,400	1.7	3.3	3.2	3.3	11.0	11.0	10.3	14.6	14.1	13.3
Invesco Ltd.	IVZ	18.05	8,211	(21.6)	(26.1)	1,555,900	1.1	3.7	3.6	3.4	9.6	9.2	8.2	9.3	8.2	7.5
Affiliated Managers Group, Inc.	AMG	129.51	5,009	(21.3)	(19.0)	776,700	1.1	3.7	3.8	3.7	8.8	9.1	8.7	7.0	6.7	5.9
Janus Henderson Group plc	JHG	26.56	4,379	(36.7)	(35.9)	361,000	1.1	1.9	1.9	1.8	6.9	7.3	6.7	11.1	11.4	10.2
Cohen & Steers, Inc.	CNS	74.26	3,615	(19.7)	(11.0)	102,122	3.7	6.6	6.5	n.a.	16.2	15.6	n.a.	19.6	18.2	n.a.
Federated Hermes, Inc.	FHI	34.51	3,020	(8.2)	7.4	631,082	0.5	2.3	2.1	2.0	9.4	8.4	7.8	12.9	10.7	9.3
Artisan Partners Asset Management Inc.	APAM	40.52	3,227	(14.9)	(16.6)	159,621	2.2	3.5	3.5	3.2	9.5	9.9	9.4	13.3	12.9	12.6
Victory Capital Holdings, Inc.	VCTR	28.02	1,922	(23.3)	(10.8)	178,098	1.7	3.4	3.3	3.2	6.8	6.7	6.4	6.2	6.1	5.7
Virtus Investment Partners, Inc.	VRTS	204.58	1,529	(31.1)	(26.3)	183,342	2.0	4.5	4.5	n.a.	11.5	11.7	12.6	7.3	7.2	7.5
BrightSphere Investment Group Inc.	BSIG	19.03	788	(25.7)	(24.1)	110,200	1.0	2.6	2.8	2.6	7.5	8.3	7.8	10.4	10.0	9.7
WisdomTree Investments, Inc.	WETF	5.37	768	(12.3)	(15.2)	79,390	1.2	3.2	3.0	2.8	13.1	11.8	11.9	18.5	16.1	13.9
Diamond Hill Investment Group, Inc.	DHIL	190.65	591	(1.8)	8.9	30,322	1.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Pzena Investment Management, Inc	PZN	9.44	695	(0.3)	(16.6)	52,800	1.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Manning & Napier, Inc.	MN	12.72	249	53.1	34.6	20,649	1.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
High				53.1%	34.6%	\$9,569,513	3.7%	6.6x	6.5x	4.9x	16.2x	15.6x	12.6x	20.0x	18.2x	15.8x
Mean				(15.0)	(13.6)	1,033,849	1.5	3.6	3.6	3.2	10.2	10.0	9.1	12.4	11.6	10.3
Median				(19.7)	(16.6)	183,342	1.3	3.4	3.4	3.2	9.5	9.6	8.7	12.0	11.1	10.0
Low				(37.2)	(40.2)	20,649	0.5	1.9	1.9	1.8	6.8	6.7	6.4	6.2	6.1	5.7

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

Note: Financial data as of most recent available; market data as of August 1, 2022.

Select Trading Comparables

Advisors

As of August 01, 2022

(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	\$68.72	n.a.	\$130,317	(18.3)%	1.4%	n.a.	3.1x	5.7x	4.9x	4.8x	17.6x	15.3x	14.3x
Ameriprise Financial, Inc.	AMP	266.56	1,100,242	28,833	(11.6)	3.1	2.4	1.9	6.5	6.3	6.1	11.1	10.4	9.6
Raymond James Financial, Inc.	RJF	98.66	193,700	21,261	(1.7)	13.5	9.7	1.7	9.0	8.1	n.a.	13.1	11.0	10.3
Stifel Financial Corp.	SF	59.50	n.a.	6,317	(15.5)	(9.8)	n.a.	1.4	5.7	5.7	5.6	9.1	8.2	7.9
High					(1.7)%	13.5%	9.7%	3.1x	9.0x	8.1x	6.1x	17.6x	15.3x	14.3x
Mean					(11.8)	2.1	6.1	2.0	6.7	6.2	5.5	12.7	11.2	10.5
Median					(13.6)	2.3	6.1	1.8	6.1	6.0	5.6	12.1	10.7	9.9
Low					(18.3)	(9.8)	2.4	1.4	5.7	4.9	4.8	9.1	8.2	7.9
Independent Wealth Advisors														
LPL Financial Holdings Inc.	LPLA	\$207.00	\$624,300	\$16,552	29.3%	49.7%	3.0%	2.2x	13.3x	10.8x	9.3x	21.0x	15.1x	13.3x
Focus Financial Group	FOCS	40.62	\$350,000	3,147	(32.0)	(20.8)	0.9	1.5	5.9	5.7	4.9	9.3	9.3	8.4
Blucora, Inc.	BCOR	20.19	40,921	954	16.6	21.3	2.3	1.0	6.3	5.7	4.5	11.1	9.8	7.0
Silvercrest Asset Management Group Inc.	SAMG	18.22	31,229	264	6.1	11.4	0.9	2.3	8.0	8.5	7.3	11.8	11.4	10.0
High					29.3%	49.7%	3.0%	2.3x	13.3x	10.8x	9.3x	21.0x	15.1x	13.3x
Mean					5.0	15.4	1.8	1.7	8.4	7.7	6.5	13.3	11.4	9.7
Median					11.3	16.4	1.6	1.8	7.2	7.1	6.1	11.4	10.6	9.2
Low					(32.0)	(20.8)	0.9	1.0	5.9	5.7	4.5	9.3	9.3	7.0

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

Note: Financial data as of most recent available; market data as of August 1, 2022.

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Houlihan Lokey

Leading Independent Advisory Firm

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

HLI
LISTED
NYSE

2,200+
Employees

35
Locations

~25%
Employee-Owned

\$5.6 Billion*
Market Cap

\$2+ Billion
Annual Revenue

No
Debt

Corporate Finance

2021 Investment Banking Rankings All Global Transactions

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

Source: Refinitiv. Excludes accounting firms and brokers.

No. 1 U.S. M&A Advisor

No. 1 Global M&A Advisor

Leading Capital Markets Advisor

Financial Restructuring

2021 Global Distressed Debt & Bankruptcy Restructuring Rankings

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

Source: Refinitiv.

No. 1 Global Restructuring Advisor

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

Financial and Valuation Advisory

2002 to 2021 Global M&A Fairness Advisory Rankings

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

Source: Refinitiv. Announced or completed transactions.

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

1,000+ Annual Valuation Engagements



* As of July 2022.

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⁾

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

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

Source: Refinitiv.

UNMATCHED PRIVATE EQUITY COVERAGE

- No. 1 most active investment bank to U.S. and global private equity.⁽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 more than 75 professionals.
- Advised on more than 135 deals in 2021 and worked with over 70 sponsors to raise more than \$18 billion of capital.
- Senior-level contact into all major credit investors.

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

LOCAL PRESENCE AND GLOBAL REACH

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



● Houlihan Lokey office locations

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

Houlihan Lokey Retirement and Asset Management

Overview of M&A and Capital Market Solutions

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

Select Advisory Areas

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

Company-Level Financing

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

AVISTA
CAPITAL PARTNERS

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

Wafra

Sellside Advisor

KENNEDY LEWIS
INVESTMENT MANAGEMENT

has sold a minority equity GP stake to

AZIMUT
GENERAL INVESTMENT DIVISION
AZIMUT ALTERNATIVE CAPITAL PARTNERS

Sellside Advisor

HALCYON

has sold minority equity stakes to

TPG Sixth Street Partners
and
Dyal Capital partners

Exclusive Sellside Advisor

STANDARD GENERAL

has repurchased their minority seed interest from

RESERVOIR
Capital Group

Buy-side Advisor

ASTOR INVESTMENT MANAGEMENT

has sold a minority interest to

Harvest Capital Strategies
a subsidiary of
JMP

Sellside Advisor*

ARK INVEST

has sold a minority stake to

American Beacon*
a portfolio company of
KEISO **ESTANCIA**

Sellside Advisor*

BENEFIT STREET
REALTY TRUST

has merged with

CAPSTEAD

Buy-side Advisor

READY CAPITAL

has acquired

REDSTONE

Buy-side Advisor

An affiliate of
FundamentalAdvisors

has acquired

MMA
Capital Holdings

Buy-side Advisor

ONEX

has acquired

FALCON

Buy-side Advisor

OAKTREE
OCBI | Strategic Income Corporation

has merged with

OAKTREE
OCSL | Specialty Lending Corporation

Special Committee Advisor

Alcentra Capital Corporation

has merged with

CRESCENT
Crescent Capital BDC, Inc.

Exclusive Sellside Advisor

MEDLEY
CAPITAL CORPORATION

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

GOLUB CAPITAL

Sellside Advisor

TPG
REAL ESTATE FINANCE TRUST

Series B Cumulative Redeemable Preferred Stock with Warrants

Recapitalization

\$325,000,000

Exclusive Placement Agent

MFA
FINANCIAL, INC.

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

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

Recapitalization

Financial Advisor & Exclusive Placement Agent

Project Helios
Solar Development Lending

ABL Revolver

Dividend Recapitalization \$100,000,000

Exclusive Placement Agent

TC P TRIANGLE CAPITAL CORPORATION

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

BENEFIT STREET

Sellside Advisor

Merchants
AUTOMOTIVE GROUP

Series A Senior Secured Notes

Growth Capital

\$50,000,000

Exclusive Financial Advisor & Placement Agent

Ascot Lloyd
a portfolio company of

OAKTREE

has received financing from funds managed by

ARES

Capital Raising

CURO

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

GREYSTONE

has acquired

America First Capital Associates Limited Partnership Two
The General Partner of
ATAX

Buy-side Advisor

annexus*

Senior Secured Term Loan

Recapitalization

Exclusive Placement Agent

SMART
FINANCIAL

Convertible Preferred Stock

\$47,500,000

Placement Agent

GREYSTONE

\$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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