



Houlihan Lokey



# Wealth Management Market Update

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SPRING 2023 UPDATE

# Wealth Management Market Summary

## Spring 2023 Industry Updates and Drivers

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

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

### Select Market Drivers

#### Mergers and Acquisitions Remain Robust

- Wealth management M&A activity ended in 2022 with 273 transactions, making it the ninth consecutive year of record activity, a 10.5% increase from 2021.
- 2023 Q1 M&A activity slowed slightly, with 48 transactions, but remains active as strategics see M&A as a primary approach for growth and private equity continues to invest in the space.
  - Transaction volume was generally evenly weighted across platforms managing \$250 million to \$5 billion of AUM, but higher outside of these ranges.
- Notable activity includes Blucora, Inc. becoming a pure play wealth manager and IBD through the divestiture of TaxAct, its tax software business, and also Tiedemann closing its SPAC IPO.

#### Private Equity Involvement

- Sponsors continue to enter the space and grow their existing wealth management platforms through bolt-on transactions. There's an estimated 100 private-equity-backed platforms in total.
  - **Clayton Dubilier & Rice LLC** has agreed to acquire Focus Financial Partners Inc. for \$53 per share in cash, representing a 14.9x valuation of LTM EBITDA.
  - KKR-backed **Beacon Pointe Advisors, LLC** has acquired Pinnacle Wealth Management an employee-owned investment manager.
  - KKR-backed **Beacon Pointe Advisors, LLC** has acquired Ailsa Capital, Inc., an employee-owned investment manager.
  - Onex Corp.-backed **OneDigital Investment Advisors** has acquired the wealth and retirement services of The Huntington National Bank.

#### Public Valuations






- Public company valuations for wealth managers with AUM greater than \$1.0 billion have generally trended between 15.0x–19.0x over the past five years.
- Managers with less than \$1.0 billion in AUM typically have traded at a significant discount over the same period of approx. 4.0x–6.0x.

#### Activity Remains Strong with Dynamic Deal Terms

- Despite overall market decline, many key acquirers maintain strong pipelines in both succession transactions and strategic growth partners as they proceed with their effort to consolidate the hyper-fragmented wealth management industry.
- Although deal activity has been resilient, many sellers are experiencing fatigue and have structured deals to participate if and when financial markets recover.
  - In some cases, buyers are designing deal terms to not penalize managers for missing an annual EBITDA target if an overall target is met within the transaction time frame.
- Among the four distinct buyer categories—consolidators, banks, RIAs, and other—RIAs have increased their total transaction volume to just over 25%, while consolidators continue to account for the majority of transaction volume at approx. 50%.





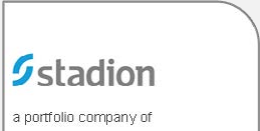








# Selected Wealth Transactions

## Houlihan Lokey Transaction Spotlight

Transaction	 <p>Project Ascent</p> <p>Sellside Advisor</p>	 <p>Project Griffin</p> <p>Sellside Advisor</p>	 <p>TIEDEMANN ADVISORS ALVARIUM TIG ADVISORS has completed a business combination with CARTESIAN growth corporation to form ALVARIUM TIEDEMANN AITi Capital Markets Accounting &amp; Reporting Advisor</p>	 <p>...Saltus has received significant investment from PRESERVATION CAPITAL PARTNERS Financial Advisor</p>	 <p>Ascot Lloyd a portfolio company of funds managed by OAKTREE and ARES has been acquired by NORDIC CAPITAL Sellside Advisor</p>
Deal Date	Exclusive Discussions	In Market	January 2023	August 2022	April 2022
Target Description	Wealth manager with \$5-10 billion in AUM, average account size of \$400,000 and average household account size of \$1.1 million.	Provider of self-directed retirement solutions through a single platform managing more than \$5.3 billion in AUA and 23,000 plans.	Investment advisor for high-net-worth families, trusts, foundations, and endowments. Privately owned investment firm, global multifamily office, and merchant banking boutique.	Leading independent wealth management business employing more than 120 employees and managing more than \$2.7 billion in AUM.	Large independent financial advice business, serving more than 20,000 clients through more than 500 staff across 17 locations.
Houlihan Lokey Role	Sellside Advisor	Sellside Advisor	Deal Accounting, Financial Reporting, and Valuation Advisory Services	Financial Advisor	Sellside Advisor

# Selected Wealth Transactions

## Houlihan Lokey Transaction Spotlight (cont.)

Transaction	 <p>VISTRIA.</p> <p>has made a strategic partnership in and recapitalization of</p>  <p><b>TMG</b> THE MATHER GROUP</p> <p><b>\$8.0 billion AUM Wealth Manager</b></p> <p>Financial Advisor</p>	 <p>CARDALE <small>Asset Management</small> Investment management • stockbroking • financial planning</p> <p>has been acquired by</p>  <p><b>TITAN</b> WEALTH</p> <p>Sellside Advisor</p>	 <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>	 <p>WREN STERLING</p> <p>a portfolio company of</p>  <p>Palatine</p> <p>has been acquired by</p>  <p>LIGHTYEAR CAPITAL</p> <p>Sellside Advisor</p>	 <p>Ascot Lloyd</p> <p>a portfolio company of</p>  <p>OAKTREE</p> <p>has received financing from funds managed by</p>  <p>ARES</p> <p>Capital Raising</p>
Deal Date	March 2022	February 2022	January 2022	July 2021	February 2021
Target Description	<p>Fee-only fiduciary firm serving primarily high-net-worth individuals, with approximately \$8.0 billion in AUM, ranked in the Top 100 RIA Firms in the U.S. for the past three years.</p>	<p>Independent investment management business, providing portfolio management, stockbroking, and financial planning services to private clients.</p>	<p>Leading managed account defined contribution (DC) technology platform utilizing its proprietary technology to service more than \$2.3 billion in AUM and more than 4,000 plans.</p>	<p>Financial planning firm offering services (such as financial, investment, and pensions advice) to both businesses and individuals.</p>	<p>Leading IFA business serving more than 21,000 clients through a network of 135 independent financial advisors.</p>
Houlihan Lokey Role	Financial Advisor	Sellside Advisor	Sellside Advisor	Sellside Advisor	Capital Raise Advisor

# Wealth Management Transactions

Extensive Global Wealth Management Experience

## Select Wealth Management Engagements

**TIEDEMANN ADVISORS** **ALVARIUM**

**TIG ADVISORS**

has completed a business combination with

**CARTESIAN**  
growth corporation

to form

**ALVARIUM TIEDEMANN | AITI**

Capital Markets Accounting & Reporting Advisor

**...Saltus**

has received significant investment from

**PRESERVATION CAPITAL PARTNERS**

Financial Advisor

**Ascot Lloyd**

a portfolio company of funds managed by

**OAKTREE**

and

**ARES**

has been acquired by

**NORDIC CAPITAL**

Sellside Advisor

**VISTRIA**

has made a strategic partnership in and recapitalization of

**TMG**  
THE MATHER GROUP

**\$9.0 billion AUM Wealth Manager**

Financial Advisor

**CARDALE** Asset Management  
investor management - start/stop - financial planning

has been acquired by

**TITAN**  
Wealth

Sellside Advisor

**stadion**

a portfolio company of

**TA ASSOCIATES**

has been acquired by

**Smart**

Sellside Advisor

**WREN STERLING**

a portfolio company of

**Palatine**

has been acquired by

**LIGHTYEAR CAPITAL**

Sellside Advisor

**Ascot Lloyd**

a portfolio company of

**OAKTREE**

has received financing from funds managed by

**ARES**

Capital Raising

**FORMUES-FORVALTNING**

has received a partnership investment from

is managed by

**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** **FOUNDERS FUND**

Sellside Advisor

**altegris**

a wholly owned subsidiary of

**Genworth Financial**

has been acquired by

**AQUILINE GENSTAR**

Sellside Advisor\*

Tombstones included herein represent transactions closed from 2013 forward.

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

# Saltus Group Secures Significant Investment from Preservation Capital Partners

## *Houlihan Lokey Case Study*

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

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

### Transaction Overview

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

### Saltus Group

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

### Preservation Capital Partners

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

# The Vistria Group Acquires The Mather Group

## Houlihan Lokey Case Study

The Vistria Group (Vistria) has made a strategic partnership in and recapitalization of The Mather Group (TMG).

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

### Transaction Overview

- Majority stake transaction.
- Vistria committed significant capital to support TMG's continued growth, both organically and through additional acquisitions.
- The announcement represents Vistria's first partnership in the wealth management space and fosters a dynamic new venture between two Chicago-based firms.
- As part of the investment, Vistria is backing TMG's CEO, Chris Behrens, and its current leadership team, to further its expansion into new geographies and services.

“  
*We are thrilled to establish a partnership with Chris and The Mather Group team. Their reputation in the industry and among clients is unparalleled, and we know there is great opportunity to continue the company's growth trajectory.*  
—Michael Castleforte, Partner and Co-Head of Financial Services at Vistria  
”

Sources: Public filings, transaction press release.

### TMG

#### TMG Rationale

- Supports vision of being a national boutique, while enhancing the client experience.
- Cultural fit, similar investment philosophy, commitment to integrity, and high-touch service.
- Provides a capital structure to grow both organically and through M&A.
- Ability to leverage broader network of operating partners and relationships with leading financial services companies.

### Vistria

#### Vistria Rationale

- TMG's commitment to diversity, impact, and ESG aligns with Vistria's mission and values.
- Ability to leverage Vistria's Portfolio Resources Group, M&A experience, and resources to scale TMG's business.
- TMG is positioned for transformative growth and attractive shareholder returns upon successful rollout execution.

- TMG is a fee-only fiduciary firm serving primarily high-net-worth individuals, with approximately \$8.0 billion in AUM as of March 31, 2022.
- Founded in 2011 and headquartered in Chicago, with offices throughout the U.S., TMG is a registered investment advisor, providing discretionary and nondiscretionary advice.
- Since January 2020, TMG has completed 10 acquisitions, and currently has more than 140 advisors and staff around the U.S.
- TMG has scaled its AUM from \$1 billion to \$8 billion during the past five years, ranking among Barron's list of Top 100 RIA Firms in the country for the past four years.
- Vistria is a Chicago-based private investment firm, partnering with middle-market businesses in the healthcare, education, and financial services industries.
- Operates at the intersection of purpose and profit with companies that are passionate about growth and have a commitment to the community.
- Team comprises highly experienced operating partners and investment professionals.
- Vistria is using its fourth fund, which raised \$2.7 billion in 2021, to invest in TMG.

# Focus Financial Partners Receives Acquisition Proposal from Clayton, Dubilier & Rice

February 27, 2023

On February 27, 2023, Focus Financial Partners (Focus) entered into an exclusivity agreement for a limited period of time with Clayton, Dubilier & Rice (CD&R), to negotiate the potential acquisition of Focus for \$53 per share in cash

## Proposed Transaction Overview

- Focus has entered into an exclusivity agreement to negotiate the terms in which CD&R would acquire Focus for \$53 per share in cash.
- CD&R submitted the non-binding offer as its “best and final”.
  - No further price negotiation and subject to a non-waivable approval of a majority of the voting power of disinterested shareholders.
  - The purchase price represents a 36% premium to Focus' 60-day volume-weighted average price as of February 1, 2023, and a 48% premium to the closing price on December 28, 2022.<sup>(1)</sup>
- Funds managed by Stone Point Capital LLC are considering retaining a portion of their investment in Focus and providing new equity financing as part of the proposed transaction.

\$ millions, except per share

Proposed Purchase Price	\$53.00
Fully Diluted Shares	81.4
<b>Implied Equity</b>	<b>\$4,314</b>
Cash	\$129
Debt	3,274
<b>Net Debt</b>	<b>\$3,145</b>
<b>Total Enterprise Value</b>	<b>\$7,459</b>
<i>x EBITDA LTM</i>	\$500 14.9x
<i>x Adj. EBITDA 2022E</i>	522 14.3x
<i>x Adj. EBITDA 2022E + \$10mm cost savings</i>	532 14.0x
<i>x Adj. EBITDA 2022E + \$10mm cost savings + 10% market improvement</i>	584 12.8x

Source: Public filings, financial data as of September 30, 2022.

(1) The day the Special Committee specifically authorized its financial advisors to broaden their outreach and contact other potential bidders regarding interest in a definitive transaction.

## Focus Financial Partners Inc.



- HQ: New York, NY
- Founded in 2004
- Public ownership since 2018 (NASDAQ:FOCS)
- 85+ partner firms
- \$2.1 billion LTM revenue

- Leading partnership of independent, fiduciary wealth management firms.
- Partner firms retain their operational independence.
  - Serve individuals, families, employers, and institutions with comprehensive wealth management services.
- Focus provides access to best practices, resources, and continuity planning for its partner firms.

## Clayton, Dubilier & Rice



- HQ: New York, NY
- Founded in 1978
- \$57 billion + AUM
- 60+ investments

- Global private equity manager, invests in and builds valuable businesses.
- Focuses on the following sectors:
  - Business services
  - Consumer/retail
  - Financial services
  - Healthcare
  - Industrial
  - Technology sectors



# Market Activity and Characteristics

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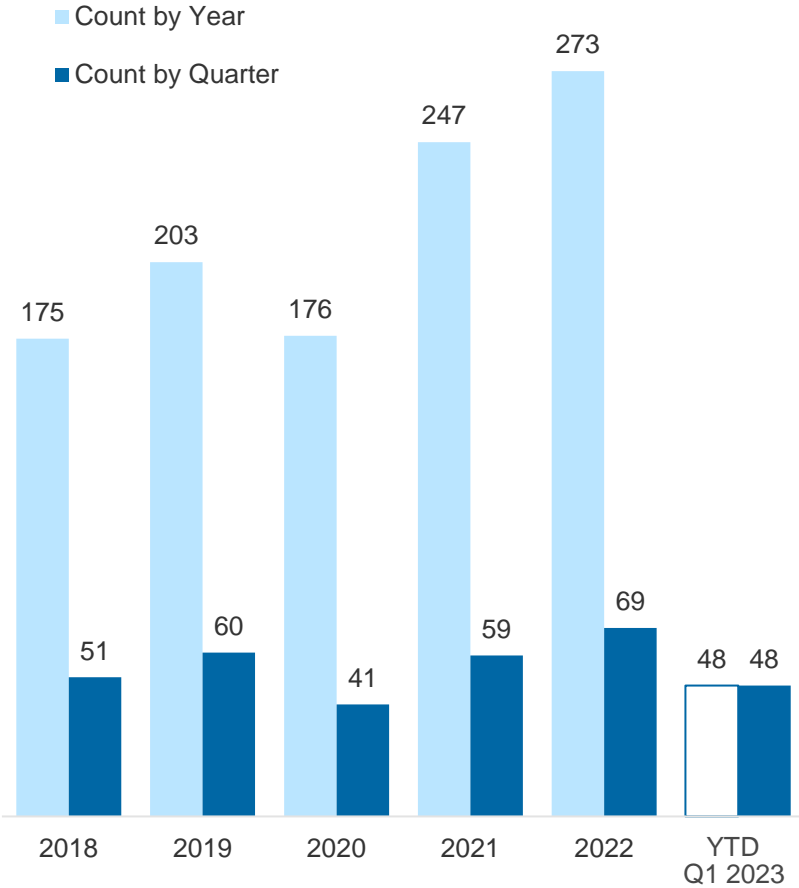
# Robust M&A Market

## Transaction Activity

Wealth management M&A activity ended in 2022 with 273 transactions, making it the ninth consecutive year of record activity. Q1 2023 M&A activity slowed slightly but remains active with 48 transactions.

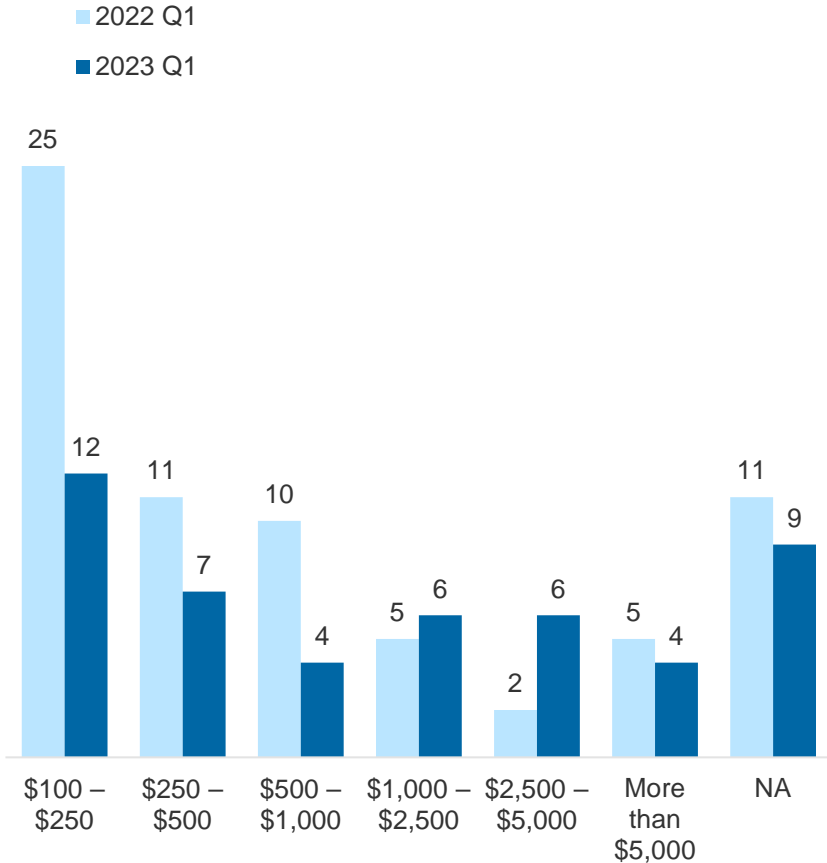
### Established M&A Activity<sup>(1)</sup>

Number of transactions executed per year



### Quarterly M&A Activity by Target Size

Number of transactions by seller size, \$ in millions



Source: SNL Financial.  
 (1) Includes transactions that have entered into a definitive agreement.

# Private Equity Continues to Be Active

## Acquirers and Select Transactions

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

### Drivers of Private Equity Activity

<b>Large Initial Investment</b>	<ul style="list-style-type: none"> <li>▪ Larger platforms, usually an initial purchase for a sponsor as they enter the sector; typically established operations and an ability to scale easily.</li> </ul>
<b>Bolt-On Acquisitions</b>	<ul style="list-style-type: none"> <li>▪ Acquisitions by sponsor-owned entity that is looking to add additional assets and employees; typically rolls up under the marquis platform.</li> </ul>
<b>Product Expansion</b>	<ul style="list-style-type: none"> <li>▪ Acquisition of tangential products or strategies (i.e., tax, trust, financing, etc.) to offer clients in core business; may be acquired by platform or by the same sponsor under separate ownership and management.</li> </ul>
<b>Exits</b>	<ul style="list-style-type: none"> <li>▪ Sale of platforms by founders or sponsors.</li> <li>▪ Can be through a sale or IPO; may retain a minority or legacy interest post closing.</li> </ul>
<b>Drivers of Value</b>	<ul style="list-style-type: none"> <li>▪ Organic growth, accretive acquisitions, expenses savings, operating leverage, product/service build-out, multiple expansion.</li> </ul>



Sources: Public filings, S&P Capital IQ, company news releases Note: Houlihan Lokey served as financial advisor in blue shaded transactions.

# Drivers of Transaction Activity

## Evolving Wealth Management Landscape

### Industry Trends and Market Drivers

- With more than 7,500 retail-focused advisors in the U.S., significant consolidation opportunities exist for all types of firms.
  - New investors provide not only business expertise and scale but also networks for sourcing M&A opportunities.
  - Strategic buyers are becoming more involved in transactions, representing nearly half of publicized deals from about one-third of deals a decade ago.
- Shift to independence has attracted the interest of (and demand for) private capital.
  - Family offices, sovereign funds, insurance companies, pension funds, private investors, and private equity firms are directly and indirectly investing in independent advisory firms.
    - With median profit margins of 20%–25%, cheap borrowing costs, and low capital requirements, private investors are attracted to the potential of doubling their money within three to five years.

### Wealth Management Landscape

Private Banking and Brokerage	  
Wirehouse	   
Regional	    
IBDs	    
RIAs and Service	  

Sources: SNL Financial, Mergermarket, company filings, industry news reports.

### Select Advisor Transactions

\$ millions

Month	Target	Acquirer	AUM/AUA
Mar.	 <b>Huntington</b>	 <b>ONEDIGITAL</b>	<b>\$5,600</b>
Mar.	 <b>EQUIUS</b>	 <b>Wealth Enhancement Group</b>	<b>1,089</b>
Mar.	 <b>GEOWEALTH</b>	 <b>First Ascent Asset Management</b>	<b>1,115</b>
Mar.	 <b>TRUVVO partners</b>	 <b>LAZARD ASSET MANAGEMENT</b>	<b>3,800</b>
Feb.	 <b>avalon</b>	 <b>clearstead</b>	<b>2,000</b>
Feb.	 <b>LAUREL WEALTH ADVISORS</b>	 <b>Integrated PARTNERS</b>	<b>2,000</b>
Feb.	 <b>ZICIA</b> Zeke Capital Advisors, LLC	 <b>SEQUOIA FINANCIAL GROUP</b>	<b>4,600</b>
Jan.	 <b>GYL FINANCIAL SYNERGIES</b>	 <b>FOCUS FINANCIAL PARTNERS</b>	<b>283</b>
Jan.	 <b>REDROCK</b> FINANCIAL & INSURANCE SERVICES, INC.	 <b>allworth Financial</b>	<b>278</b>
Jan.	 <b>Stonington Group</b>	 <b>PRIME CAPITAL INVESTMENT ADVISORS</b>	<b>575</b>

# RIA Acquisition Market Overview

Consolidation continues, with 45+ firms making more than one acquisition since April 2021 and the 25 largest acquirers adding more than \$350 billion of AUM during that time.

## Top 25 Acquirers by Deal Volume (Past Two Years)

By number of deals, \$ millions

Buyer Name	Deals	% of Total Deals	Total AUM Added	Average Target AUM
Focus Financial (and affiliates)	43	9.1%	\$48,457	\$1,127
Wealth Enhancement Group	32	6.8%	32,245	1008
Mercer Advisors	29	6.1%	17,739	612
Mariner Wealth Advisors	25	5.3%	35,032	1,401
Beacon Pointe Advisors	21	4.4%	9,606	457
CI Financial	17	3.6%	78,582	4,622
Creative Planning	17	3.6%	22,527	1,325
Hightower Advisors	16	3.4%	16,285	1,018
Allworth Financial	16	3.4%	5,619	351
MAI Capital Management	14	3.0%	5,197	371
CAPTRUST	12	2.5%	22,599	1,883
Merit Financial Advisors	12	2.5%	3,774	315
EP Wealth Advisors	10	2.1%	3,567	357
Cerity Partners	10	2.1%	25,077	2,508
Prime Capital Investment Advisors	9	1.9%	5,526	614
OneDigital Health & Benefits	8	1.7%	3,602	450
HUB International	7	1.5%	10,283	1,469
Kestra Financial	7	1.5%	3,805	544
Savant Wealth Management	7	1.5%	6,949	993
Dynasty Financial Partners	6	1.3%	5,675	946
The Mather Group	5	1.1%	954	191
Edelman Financial Engines	4	0.8%	2,226	557
SageView Advisory Group	4	0.8%	3,436	859
Perigon Wealth Management	4	0.8%	1,425	356
Coldstream Wealth Management	3	0.6%	2,033	678
<b>Top 25 Total</b>	<b>338</b>	<b>71.5%</b>	<b>\$372,220</b>	<b>\$1,101</b>
Other	135	28.5%	376,652	2,790
<b>Total</b>	<b>473</b>	<b>100.0%</b>	<b>\$748,872</b>	<b>\$1,583</b>

## Top 25 Acquirers by Cumulative AUM (Past Two Years)

By cumulative acquired AUM, \$ millions

Buyer Name	Total AUM Added	% of Total Deals	No. of Firms
CI Financial	\$78,582	10.5%	17
Focus Financial (and affiliates)	48,457	6.5%	43
LPL Financial	45,000	6.0%	2
Advisor Group	40,000	5.3%	1
Mariner Wealth Advisors	35,032	4.7%	25
Wealth Enhancement Group	32,245	4.3%	32
Cerity Partners	25,077	3.3%	10
Cetera Financial Group	24,800	3.3%	1
CAPTRUST	22,599	3.0%	12
Creative Planning	22,527	3.0%	17
Callodine Group	21,000	2.8%	1
Alvarium Tiedemann Holdings	18,415	2.5%	1
Baird	18,000	2.4%	1
Mercer Advisors	17,739	2.4%	29
Hightower Advisors	16,285	2.2%	16
Integrity Marketing Group	14,964	2.0%	2
Galway Holdings	12,300	1.6%	1
Parthenon Capital Partners	12,000	1.6%	1
Cresset Asset Management	10,600	1.4%	3
HUB International	10,283	1.4%	7
Beacon Pointe Advisors	9,606	1.3%	21
AssetMark	9,544	1.3%	1
Sequoia Financial Group	8,100	1.1%	3
Pathstone	8,000	1.1%	3
Flexpoint Ford	7,163	1.0%	1
<b>Top 25 Total</b>	<b>\$568,318</b>	<b>75.9%</b>	<b>251</b>
Other	180,554	24.1%	222
<b>Total</b>	<b>\$748,872</b>	<b>100.0%</b>	<b>473</b>

Source: Public filings.

Note: Represents transactions from April 1, 2021, through March 31, 2023.

# Accessing Alternatives

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# Key Activity Drivers

**Alternatives Are Growing in Importance**



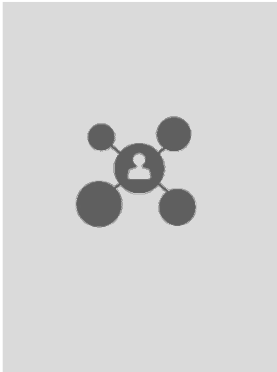
- Alternatives AUM to approach \$20 trillion by 2025.
- Significant growth track record in alternatives' share of global AUM.
  - \$5.9 trillion AUM in 2008 (15% of \$39 trillion global AUM).
  - \$14.2 trillion AUM in 2019 (16% of \$89 trillion global AUM).
  - Projected to increase to 17% share of \$103 trillion global AUM by 2024.

**Access Is Challenging and Needs to Extend to the HNW and RIA Channels**



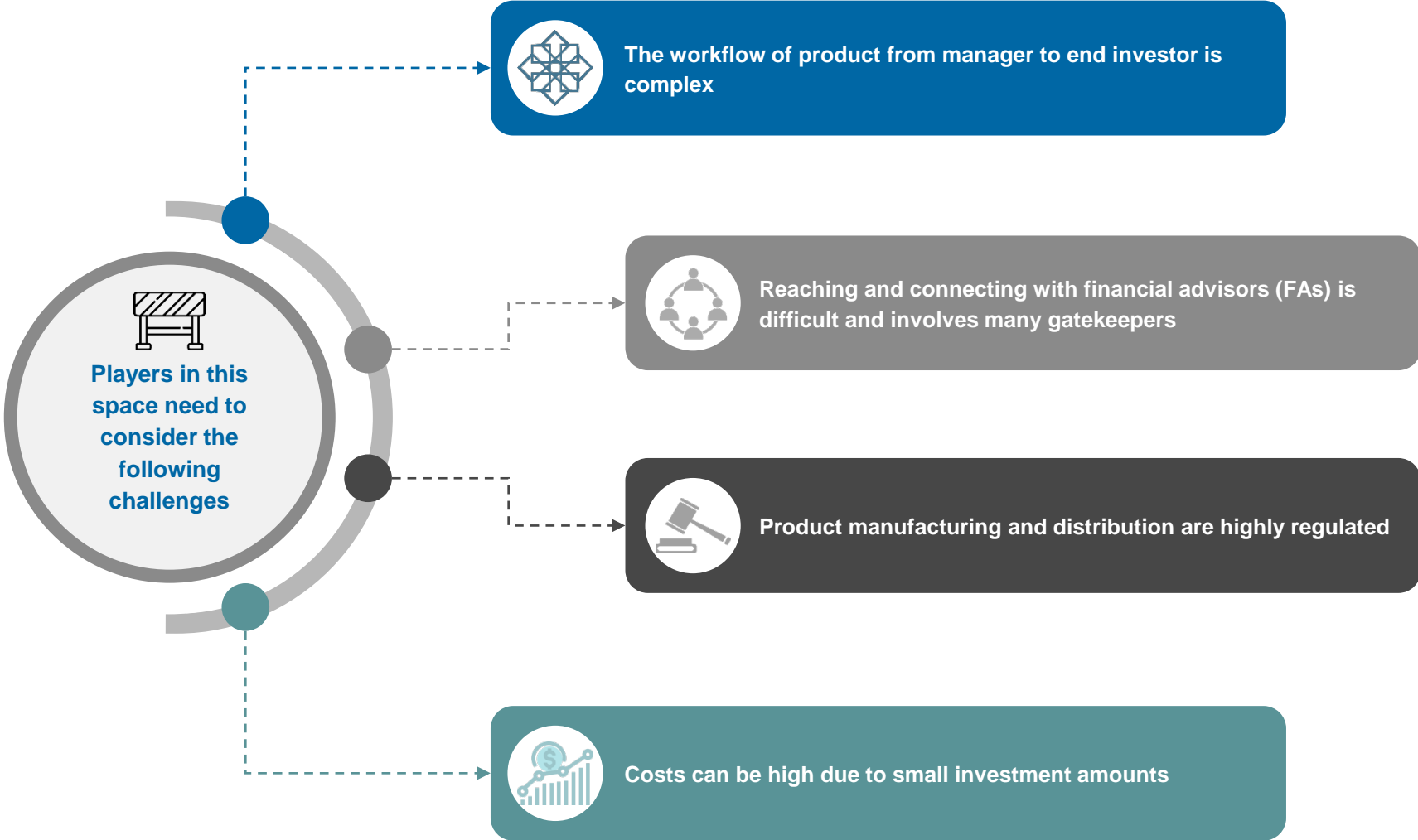
- U.S. HNW AUM to approach \$80.0 trillion by 2025 across 3+ million households.
- 40% of financial advisors allocate to private alternative products.

**Enough Fees in Value Chain for Significant Distribution Economics**



- Asset management is converging with fintech as:
  - Large product manufacturers need to reach new client segments.
  - Large distributors/advisors need streamlined solutions to better service their existing clients.
  - Complex parts of the process are becoming tech-enabled (e.g., subscription docs).

# Key Challenges



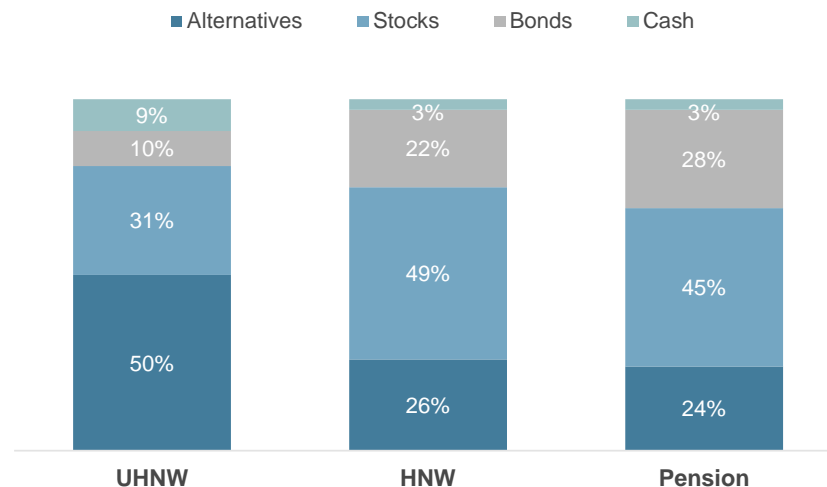


# Growth in Alternatives: Private Clients

## Market Overview

- HNW investable asset growth expected to significantly increase.
  - Significant allocations to PE and hedge funds among high-net-worth and ultra-high-net-worth individuals.
- Alternative distribution platforms at the nexus of the secular trend toward alternatives and tech-enabled investment services.
- Headwinds include advisor platform adoption; entrenched investment processes preventing large-scale onboarding.
- Diverse product suite and usability are key to gathering significant assets.

## Asset Allocation Among Millionaires and UHNW

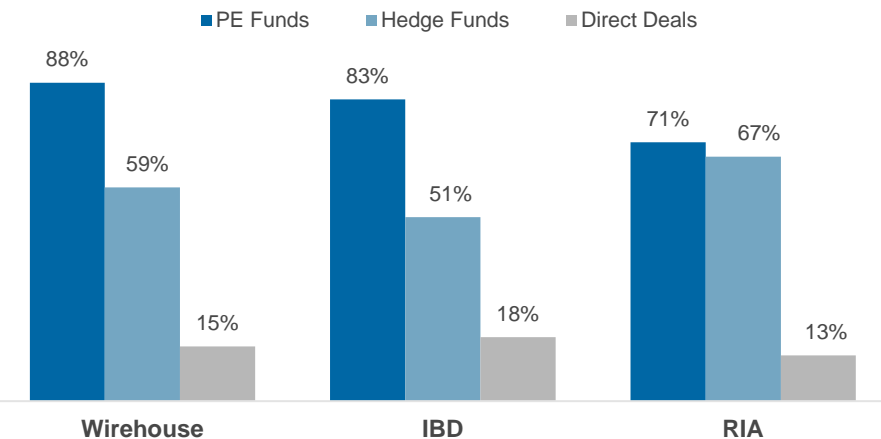


## Expected U.S. HNW Investable Asset Growth

U.S. HNW Investable Assets (\$T)



## Percent of FAs Investing in Alternatives by Channel



Sources: EY Wealth Management Outlook, Cerulli Associates, KKR, iCapital Network: Advisors and Alternatives Investments, Statista Private Wealth Management Dossier, KKR Insights Global Macro Trends.

Note: "FAs" refers to financial advisors.

# Competitive Landscape: Selected Players

## Accessing Alternatives

### Fund Placement Agents



### Private Company and Fund Liquidity Venues



### Equity Crowdfunding/Private Placement

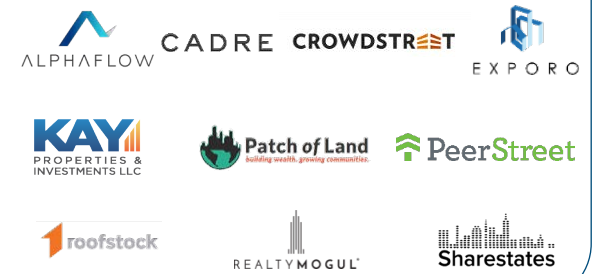


### Asset Manager Distribution



## Accessing Alternatives Highlighted Industry Leaders

### Real Estate/Mortgage



### Tech-Enabled HNW Fund Distribution



### Other Fund Distribution/Service
















### Specialty Assets































# Selected Houlihan Lokey Transaction Spotlight

## Accessing Alternatives

























Transaction	Deal Date	Deal Value	AUM	Sector	Description	Houlihan Lokey Role
 <p>MOTIVE CAPITAL CORP</p> <p>has merged with</p>  <p>Forge</p> <p>Fairness Opinion</p>	March 2022	\$1.6 Billion	--	Private Funds (Liquidity Venue)	The combination provides significant capital to fund growth, accelerate its technology platform, strengthen its network position, and unlock further opportunities for expansion.	Fairness Opinion
 <p>SIP SHARESPOST</p> <p>has been acquired by</p>  <p>Forge</p> <p>Sellside Advisor</p>	November 2020	\$160 Million	--	Private Company—Secondary (Investment Marketplace)	The combination creates a leading global private securities marketplace serving the liquidity needs of high-growth unicorn companies and their employees.	Sellside Advisor
 <p>MERCURY CAPITAL ADVISORS</p> <p>and its wholly-owned subsidiary</p>  <p>MERCURY iFunds</p> <p>have been acquired by</p>  <p>INVESTCORP</p> <p>Sellside Advisor*</p>	May 2019	Not Disclosed	\$22.5 Billion	Alternatives (Fund Placement)	Mercury, a global capital-raising and investment advisory firm, has been acquired by Investcorp, a leading global provider and manager of alternative investments products.	Sellside Advisor
 <p>altegris</p> <p>a portfolio company of</p>  <p>AQUILINE GENSTAR</p> <p>has merged with</p>  <p>ARTIVEST</p> <p>a portfolio company of</p>  <p>KKR</p> <p>Sellside Advisor*</p>	February 2018	Not Disclosed	\$2.5 Billion	Alternatives (Distribution Platform)	The combination of Altegris and Artinvest creates a solutions-driven alternative investment marketplace with \$3 billion of asset flows serving 10,000+ clients.	Sellside Advisor
 <p>EATON PARTNERS</p> <p>has been acquired by</p>  <p>STIFEL</p> <p>Sellside Advisor*</p>	November 2015	Not Disclosed	--	Alternatives (Fund Placement)	Eaton has served as intermediary for more than \$68 billion of total capital commitments, from institutional investors to 90 differentiated funds.	Sellside Advisor

\*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.

# Highlighted Capital Raises: Accessing Alternatives

Date	Target	Target Type	Target Country	Lead Investor(s)	Deal Value (US\$ M)	Pre-Money EV	Deal Type
Feb. 2023		Alternatives (Partnership Enablement)	U.S.		\$133		Growth Equity
Jan. 2023		Alternatives (Fund Administrator)	U.S.		\$10	\$30	Series A
Nov. 2022		Alternatives (Investment Marketplace)	U.S.		--	--	Series A
Oct. 2022		Alternatives (Distribution Platform)	U.S.		--	--	Series A
Sep. 2022		Alternatives (Investment Marketplace)	U.S.		--	\$340	Series A
Aug. 2022		Alternatives (Liquidity Solutions)	U.S.		--	\$71	Strategic Investment
July 2022		Alternatives (Fund Administrator)	U.S.		--	--	Strategic Investment
June 2022		Alternatives (Investment Marketplace)	U.S.		--	\$6,000	Strategic Investment
May 2022		Venture Capital (Investment Marketplace)	U.S.		\$15.0	--	Series A
May 2022		Alternatives (Distribution Platform/Inv. Marketplace)	U.S.	 	109.0	842.0	Series D
Apr. 2022		Alternatives (Distribution Platform)	U.S.	  	100.0	1,000.0	Consortium
Dec. 2021		Alternatives (Distribution Platform)	U.S.		50.0	--	Strategic Investment
Nov. 2021		Alternatives (Investment Marketplace)	Germany		75.0	--	Series C

# Highlighted Capital Raises: Accessing Alternatives (cont.)

Date	Target	Target Type	Target Country	Lead Investor(s)	Deal Value (US\$ M)	Pre-Money EV	Deal Type
Nov. 2021	 YIELDSTREET	Specialty Asset (Investment Marketplace)	U.S.	MAYFAIR EQUITY PARTNERS	\$50.0	--	Series C
Apr. 2021	 ALTO	Alternatives (Investment Marketplace)	U.S.	 UNUSUAL VENTURES	17.0	--	Series A
Feb. 2021	<b>Titan</b>	Alternatives (Investment Marketplace)	U.S.	GENERAL  CATALYST	12.5	–	Series A
Nov. 2020	<b>CAIS</b>	Alternatives (Investment Marketplace)	U.S.	 ELDRIDGE	50.0	--	Growth Equity
Oct. 2020	 DEALPATH	Real Estate (Distribution Platform)	U.S.	 Nasdaq	--	--	Strategic Investment
Sept. 2020	 Rally	Luxury Asset (Investment Marketplace)	U.S.	global brain Raptor  relay ventures	17.0	–	Series B
Aug. 2020	 ALPHAFLOW	Real Estate (Investment Marketplace)	U.S.	Undisclosed Investors	\$7.0	–	Later-Stage VC
Apr. 2020	 Rally	Luxury Asset (Investment Marketplace)	U.S.	 Scala Ventures  social leverage	3.0	–	Early-Stage VC
Mar. 2020	 iCapital NETWORK	Alternatives (Distribution Platform)	U.S.	 中国平安 PINGAN 金融 · 科技	146.0	–	Growth Equity
Feb. 2020	 zanbato	Private Company—Secondary (Investment Marketplace)	U.S.	 8VC  LeFrak	15.0	\$100.0	Series C
Jan. 2020	 roofstock	Real Estate (Investment Marketplace)	U.S.	 svb Capital	50.0	525.0	Series D
Dec. 2019	 SP SHARESPOST	Private Company—Secondary (Investment Marketplace)	U.S.	 NEVENTA  svb Silicon Valley Bank	5.0	–	Later-Stage VC
Nov 2019	 CS CROWDSTREET	Real Estate (Investment Marketplace)	U.S.	 GROTECH VENTURES	12.0	228.0	Series C

# Wealth Management Market Map





















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# Market Map

AUM Range	Less than \$3 billion	\$3 billion–\$10 billion	\$10 billion–\$25 billion	Greater than \$25 billion
<b>Mass Affluent</b>  <i>Up to \$3 million account size</i>	     	       	         	    
<b>High Net Worth</b>  <i>\$3 million–\$10 million average account size</i>	 	          	   	

\*Companies (Prime Capital, SageView, CAPTRUST) are mapped by the size of their private client average account size; retirement plans are excluded for average account size but not total AUM.  
 Note: Data from companies' SEC ADV filings as of August 2022.

# Market Map (cont.)

AUM Range	\$10 billion or less	\$10 billion–\$30 billion	Greater than \$30 billion
<p><b>Ultra-High Net Worth</b></p> <p><i>\$10 million–\$25 million average account size</i></p>	      	    	 
	\$25 billion or less	\$25 billion–\$50 billion	Greater than \$50 billion
<p><b>Multi-Family Office</b></p> <p><i>Greater than \$25 million average account size</i></p>		  	 

Note: Data from companies' SEC ADV filings as of August 2022

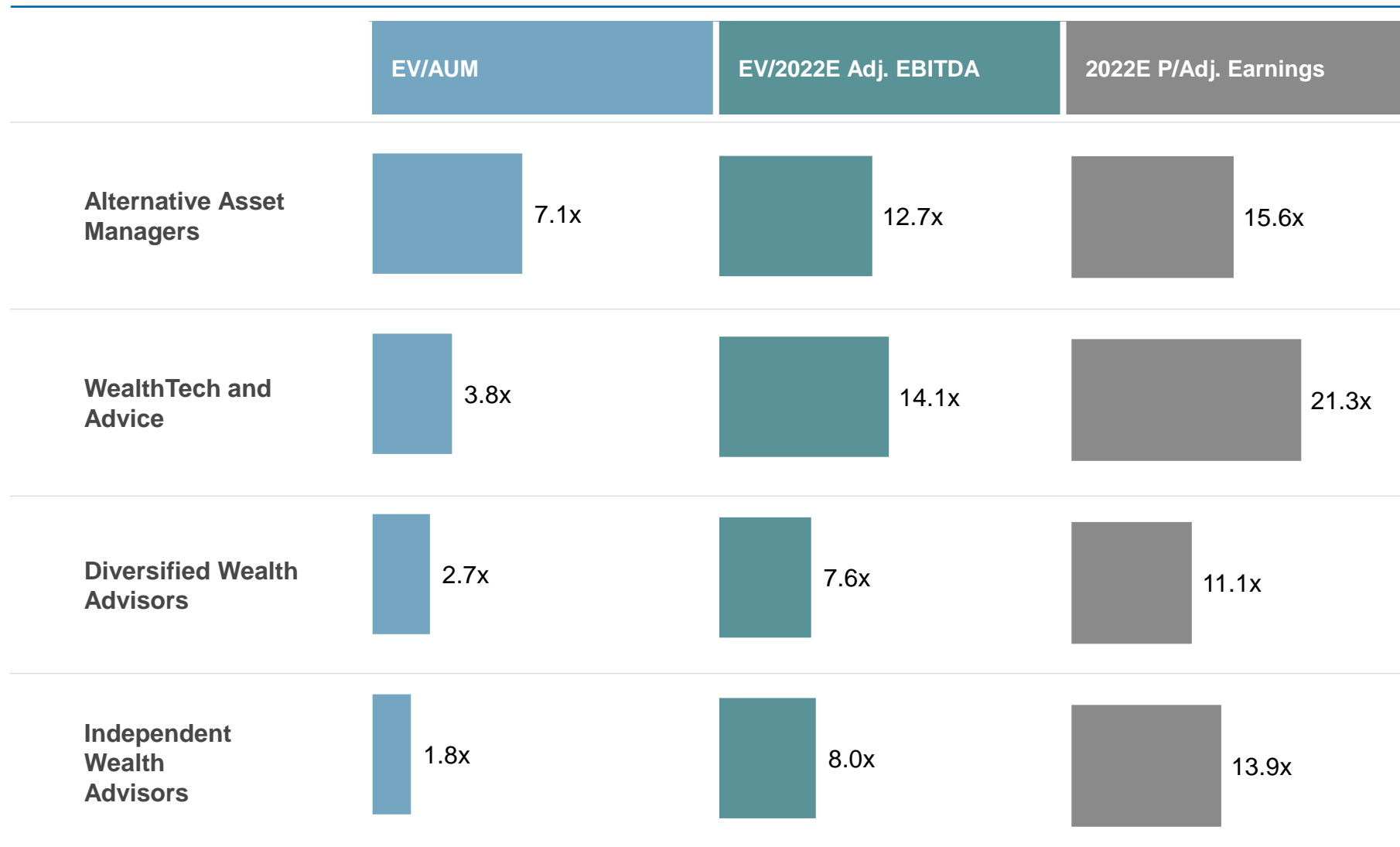


## **Selected Valuation Trends**

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# Valuations

## Average Public Company Trading Metrics



**Note: The above illustrates comparative valuations on a subsector basis across many different company revenue and business model types. The subsequent pages show the trading metrics of the respective companies within each subcategory.**

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

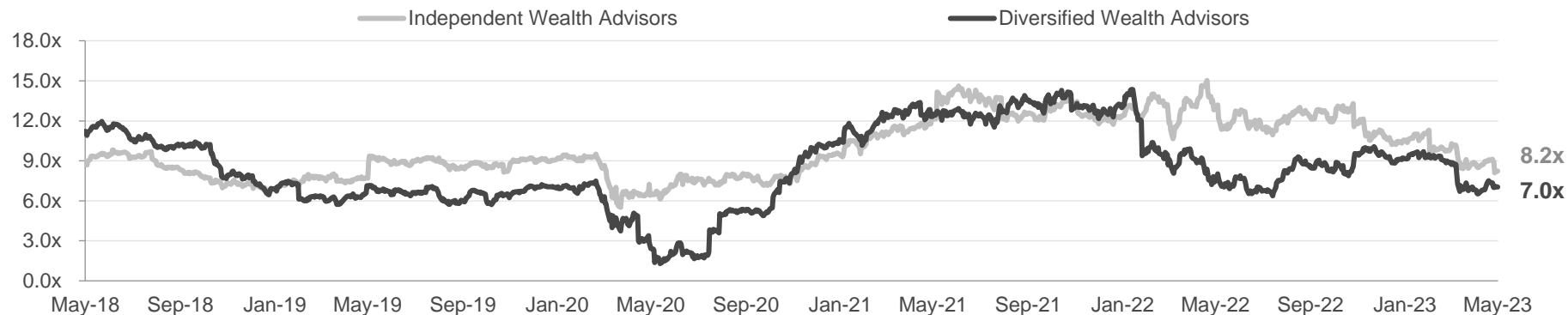
Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of May 1, 2023.

# Valuations

## Historical Public Company Trading Levels and Relative Change

### Total Enterprise Value to LTM EBITDA

Total Enterprise Value to LTM EBITDA



### Relative Change in Total Enterprise Value to LTM EBITDA

Change in Total Enterprise Value to LTM EBITDA



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

Notes: Financial data as of most recent available. Market data as of May 1, 2023. Indices weighted by market capitalization.

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

# Select Trading Comparables

## Advisors

As of May 01, 2023

(Dollars in millions, except per share data)

Company	Ticker	Closing Stock Price	Assets Under Management	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	EV /		EV / EBITDA			P / Adj. Earnings		
							AUM	2023E Rev.	2023E	2024E	2025E	2023E	2024E	2025E
<b>Diversified Wealth Advisors</b>														
The Charles Schwab Corporation	SCHW	\$51.81	NA	\$94,227	(37.8)%	(23.7)%	n.a.	6.0x	12.2x	10.0x	8.2x	15.6x	12.4x	9.8x
Ameriprise Financial, Inc.	AMP	302.58	1,001,269	31,589	(2.8)	12.6	2.9	1.9	5.9	5.8	5.5	9.9	9.1	8.3
Raymond James Financial, Inc.	RJF	89.76	194,400	18,993	(16.0)	(8.8)	9.8	1.6	6.8	6.5	6.4	9.9	8.9	8.6
Stifel Financial Corp.	SF	59.45	NA	6,308	1.9	(6.3)	n.a.	1.4	5.6	5.4	5.3	9.1	8.0	7.4
<b>High</b>					<b>1.9%</b>	<b>12.6%</b>	<b>9.8%</b>	<b>6.0x</b>	<b>12.2x</b>	<b>10.0x</b>	<b>8.2x</b>	<b>15.6x</b>	<b>12.4x</b>	<b>9.8x</b>
<b>Mean</b>					<b>(13.7)</b>	<b>(6.6)</b>	<b>6.3</b>	<b>2.7</b>	<b>7.6</b>	<b>6.9</b>	<b>6.3</b>	<b>11.1</b>	<b>9.6</b>	<b>8.5</b>
<b>Median</b>					<b>(9.4)</b>	<b>(7.6)</b>	<b>6.3</b>	<b>1.8</b>	<b>6.4</b>	<b>6.1</b>	<b>6.0</b>	<b>9.9</b>	<b>9.0</b>	<b>8.5</b>
<b>Low</b>					<b>(37.8)</b>	<b>(23.7)</b>	<b>2.9</b>	<b>1.4</b>	<b>5.6</b>	<b>5.4</b>	<b>5.3</b>	<b>9.1</b>	<b>8.0</b>	<b>7.4</b>
<b>Independent Wealth Advisors</b>														
LPL Financial Holdings Inc.	LPLA	\$211.43	\$620,900	\$16,563	(2.2)%	11.0%	3.1%	1.9x	8.8x	8.5x	7.9x	12.6x	11.6x	10.5x
Focus Financial Group	FOCS	51.93	350,000	4,039	39.3	28.6	1.2	1.7	6.8	5.8	4.6	12.6	10.8	8.9
Avantax, Inc.	AVTA	11.85	38,282	1,009	27.3	22.6	3.1	1.6	9.3	8.4	n.a.	18.2	18.0	n.a.
Alvarium Tiedemann Holdings, Inc.	ALTI	11.85	60,000	673	27.3	n.a.	1.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Silvercrest Asset Management Group Inc.	SAMG	18.61	28,905	261	(0.9)	(13.1)	0.9	2.1	7.3	6.7	6.3	12.2	10.6	9.0
<b>High</b>					<b>39.3%</b>	<b>28.6%</b>	<b>3.1%</b>	<b>2.1x</b>	<b>9.3x</b>	<b>8.5x</b>	<b>7.9x</b>	<b>18.2x</b>	<b>18.0x</b>	<b>10.5x</b>
<b>Mean</b>					<b>18.2</b>	<b>12.3</b>	<b>1.9</b>	<b>1.8</b>	<b>8.0</b>	<b>7.3</b>	<b>6.3</b>	<b>13.9</b>	<b>12.7</b>	<b>9.5</b>
<b>Median</b>					<b>27.3</b>	<b>16.8</b>	<b>1.2</b>	<b>1.8</b>	<b>8.0</b>	<b>7.6</b>	<b>6.3</b>	<b>12.6</b>	<b>11.2</b>	<b>9.0</b>
<b>Low</b>					<b>(2.2)</b>	<b>(13.1)</b>	<b>0.9</b>	<b>1.6</b>	<b>6.8</b>	<b>5.8</b>	<b>4.6</b>	<b>12.2</b>	<b>10.6</b>	<b>8.9</b>

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

Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of May 1, 2023.

# Select Trading Comparables

## Alternative Asset Managers and Wealth Management Tech/Services

As of May 01, 2023

(Dollars in millions, except per share data)

Company	Ticker	Closing Stock Price	Market Cap.	Intrinsic Enterprise Value <sup>(1)</sup>	YTD Stock Price Return	1-Year Stock Price Return	Assets Under Mgmt.	EV /			EV / EBITDA <sup>(2)</sup>			P / DE			
								AUM	2023E Rev.	2024E Rev.	2025E Rev.	2023E	2024E	2025E	2023E	2024E	2025E
<b>Large, Diversified Alternative Managers</b>																	
Blackstone Inc.	BX	\$88.75	\$107,436	\$99,735	19.6%	(16.1)%	\$991,294	10.1%	9.0x	6.8x	5.7x	15.4x	11.5x	9.7x	16.4x	12.4x	11.5x
KKR & Co. Inc.	KKR	53.25	59,631	43,594	14.7	0.6	503,897	8.7	7.9	6.2	4.7	13.6	11.2	8.3	18.6	14.9	10.7
Apollo Global Management, Inc.	APO	63.72	38,153	31,874	(0.1)	22.7	547,647	5.8	4.7	3.9	3.2	6.5	5.7	4.8	9.8	8.5	7.2
EQT AB	EQT	21.43	25,238	26,859	1.3	(23.3)	228,430	11.8	10.1	8.6	7.7	16.7	13.8	12.3	19.3	15.8	13.7
Ares Management Corporation	ARES	85.57	25,210	25,084	25.0	26.5	360,295	7.0	7.3	5.4	4.7	18.8	14.0	11.2	21.5	15.8	12.2
Partners Group Holding AG	PGHN	969.36	24,952	25,362	9.7	(7.2)	135,000	18.8	10.7	8.9	8.1	17.2	14.2	12.9	n.a.	n.a.	n.a.
The Carlyle Group Inc.	CG	30.46	11,229	5,312	2.1	(17.8)	372,691	1.4	1.5	1.2	1.1	3.9	3.0	2.6	9.8	7.4	6.5
TPG Inc.	TPG	28.78	8,897	7,553	3.4	10.1	135,034	5.6	5.4	4.4	4.6	9.7	7.6	7.3	14.0	11.6	8.9
<b>High</b>					<b>25.0%</b>	<b>26.5%</b>	<b>\$991,294</b>	<b>18.8%</b>	<b>10.7x</b>	<b>8.9x</b>	<b>8.1x</b>	<b>18.8x</b>	<b>14.2x</b>	<b>12.9x</b>	<b>21.5x</b>	<b>15.8x</b>	<b>13.7x</b>
<b>Mean</b>					<b>9.5</b>	<b>(0.6)</b>	<b>409,286</b>	<b>8.6</b>	<b>7.1</b>	<b>5.7</b>	<b>5.0</b>	<b>12.7</b>	<b>10.1</b>	<b>8.6</b>	<b>15.6</b>	<b>12.3</b>	<b>10.1</b>
<b>Median</b>					<b>6.6</b>	<b>(3.3)</b>	<b>366,493</b>	<b>7.8</b>	<b>7.6</b>	<b>5.8</b>	<b>4.7</b>	<b>14.5</b>	<b>11.4</b>	<b>9.0</b>	<b>16.4</b>	<b>12.4</b>	<b>10.7</b>
<b>Low</b>					<b>(0.1)</b>	<b>(23.3)</b>	<b>135,000</b>	<b>1.4</b>	<b>1.5</b>	<b>1.2</b>	<b>1.1</b>	<b>3.9</b>	<b>3.0</b>	<b>2.6</b>	<b>9.8</b>	<b>7.4</b>	<b>6.5</b>

Company	Ticker	Closing Stock Price	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	Assets Under Mgmt.	EV /			EV / EBITDA			P / Adj. Earnings				
							AUM	2023E Rev.	2024E Rev.	2025E Rev.	2023E	2024E	2025E	2023E	2024E	2025E	
<b>WealthTech &amp; Advice</b>																	
Broadridge Financial Solutions, Inc.	BR	\$144.18	\$16,969	7.5%	0.6%	n.a.	n.a.	3.3x	3.1x	3.0x	15.0x	14.0x	12.7x	20.3x	18.7x	16.6x	
SS&C Technologies Holdings, Inc.	SSNC	57.36	14,309	10.2	(11.4)	n.a.	n.a.	3.8	3.7	3.5	9.8	9.1	8.6	12.0	10.7	9.6	
SEI Investments Company	SEIC	58.76	7,833	0.8	4.4	n.a.	n.a.	3.7	3.5	3.4	13.3	12.1	11.2	17.1	15.1	13.9	
Morningstar, Inc.	MORN	181.83	7,737	(16.0)	(28.1)	n.a.	n.a.	4.3	3.9	3.6	20.6	17.2	15.3	34.8	27.9	23.6	
Envestnet, Inc.	ENV	62.47	3,397	1.2	(20.6)	n.a.	n.a.	3.3	3.0	2.6	16.8	13.3	10.5	29.6	22.8	18.4	
AssetMark Financial Holdings, Inc.	AMK	30.98	2,290	34.7	61.4	54,870	4.2	4.1	3.8	3.6	9.2	8.4	7.6	13.7	12.6	11.9	
<b>High</b>					<b>34.7%</b>	<b>61.4%</b>	<b>\$54,870</b>	<b>4.2%</b>	<b>4.3x</b>	<b>3.9x</b>	<b>3.6x</b>	<b>20.6x</b>	<b>17.2x</b>	<b>15.3x</b>	<b>34.8x</b>	<b>27.9x</b>	<b>23.6x</b>
<b>Mean</b>					<b>6.4</b>	<b>1.1</b>	<b>54,870</b>	<b>4.2</b>	<b>3.8</b>	<b>3.5</b>	<b>3.3</b>	<b>14.1</b>	<b>12.4</b>	<b>11.0</b>	<b>21.3</b>	<b>18.0</b>	<b>15.7</b>
<b>Median</b>					<b>4.4</b>	<b>(5.4)</b>	<b>54,870</b>	<b>4.2</b>	<b>3.7</b>	<b>3.6</b>	<b>3.5</b>	<b>14.1</b>	<b>12.7</b>	<b>10.9</b>	<b>18.7</b>	<b>16.9</b>	<b>15.3</b>
<b>Low</b>					<b>(16.0)</b>	<b>(28.1)</b>	<b>54,870</b>	<b>4.2</b>	<b>3.3</b>	<b>3.0</b>	<b>2.6</b>	<b>9.2</b>	<b>8.4</b>	<b>7.6</b>	<b>12.0</b>	<b>10.7</b>	<b>9.6</b>

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

Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of May 1, 2023.

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

(2) Market cap/ENI for alternative asset managers.

# Houlihan Lokey Capabilities

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# Leading Independent Advisory Firm

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

<b>~2,500</b> Employees	<b>37</b> Locations	<b>\$6 Billion</b> <sup>(1)</sup> Market Cap		<b>\$1.8 Billion</b> <sup>(2)</sup> Annual Revenue	<b>~25%</b> Employee-Owned	<b>No</b> Debt
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### Corporate Finance

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

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

Source: Refinitiv. Excludes accounting firms and brokers.

### Financial Restructuring

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

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

Source: Refinitiv.

### Financial and Valuation Advisory

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

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

Source: Refinitiv. Announced or completed transactions.

### Financial Sponsors Coverage

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

Rank	Advisor	Deals
1	Houlihan Lokey	242
2	Lincoln International	192
3	Deloitte	190

Source: PitchBook.

Note: (1) As of April 2023. (2) LTM ended December 31, 2022.

# 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.<sup>(1)</sup>
- No. 1 M&A advisor for all nondepository financial services transactions.<sup>(2)</sup>

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

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

Source: Refinitiv. Excludes bank transactions. Excludes accounting firms and brokers.

### UNMATCHED PRIVATE EQUITY COVERAGE

- No. 1 most active investment bank to U.S. and global private equity.<sup>(3)</sup>
- 24 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 90 professionals.
- Over the past two years, the group raised approximately \$25 billion across more than 250 transactions with more than 110 different financial sponsors.
- Senior-level contact into all major credit investors.

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

### LOCAL PRESENCE AND GLOBAL REACH

- 37 offices in the Americas, Europe, the Middle East, and the Asia-Pacific region.
- More than 1,340 cross-border deals since 2011.<sup>(1)</sup>
- Outstanding track record with international investors, both on sellside and buy-side transactions.



● Houlihan Lokey office locations

(1) As of December 31, 2021, according to Refinitiv.  
 (2) Since 2010, \$50 million to \$600 million deal value.  
 (3) In 2022, according to PitchBook.



# Houlihan Lokey

## Solutions for the Life Cycle of Managers and Funds

Houlihan Lokey is uniquely positioned to serve as a trusted advisor, given its comprehensive capabilities and ability to offer an integrated solution and team to address the most important strategic decisions of general partners (GPs).

### GP Advisory

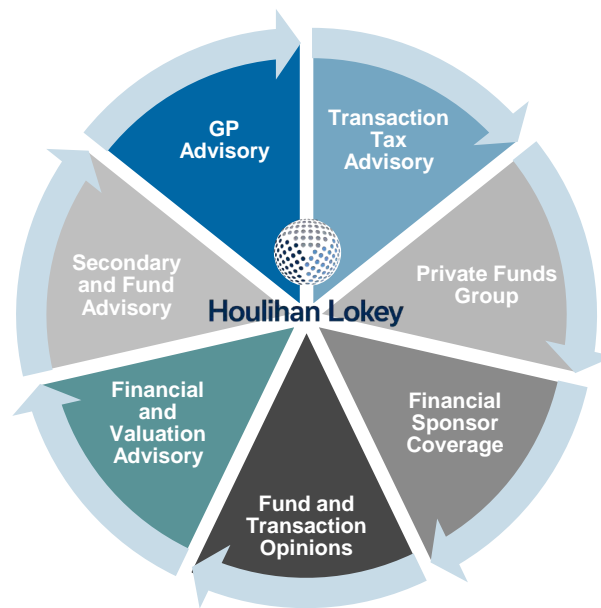
- Comprehensive advisory to asset managers on GP minority and majority stake sales, acquisitions, seed investments, joint ventures, product development, succession planning, and establishment of private and permanent capital vehicle
- Facilitate capital solutions to fund increasing GP co-investments, equitize the next generation, and enable transitioning shareholders to monetize equity interest

### Secondary and Fund Advisory

- Active and dedicated team focused on providing liquidity solutions
- Unique knowledge of secondary investor preferences and behavior through unmatched relationships and deal flow
- Valuation of existing structures under GP management and evaluation of strategic options can add to a process's value creation potential

### Financial and Valuation Advisory

- Deep portfolio, private company, security, loan, and derivatives valuation experience
- Provider of recurring, asset-by-asset valuations to three of the largest investors in the space



### Private Funds Group (PFG)

- Dedicated team of ~30 individuals globally, combining the fundraising experience of a leading institutional agent with unique in-house operating and investor relations experience from market-leading firms
- Can provide guidance on timing of stake sales, LP communication, and other strategic considerations as they relate to LP relations

### Transaction Tax Advisory Services

- Dedicated Houlihan Lokey tax advisory team
- Efficient tax structure can preserve or create value in GP stake transactions

### Financial Sponsor Coverage

- Largest financial sponsors group focused on mid- and large-cap funds
- 24 senior officers in North America and Europe dedicated to coverage of more than 1,000 sponsors

### Transaction and Fund Opinions

- Valuation and fairness opinions to sponsors across a wide range of affiliate transactions including fund transfer, fund recapitalizations, and other portfolio company transactions
- Fairness opinions to enhance value and security to selling partners and shareholders

# Houlihan Lokey Wealth 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**  
DEFINING INVESTMENT DIRECTION  
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

\$19.5 billion AUM

**NAPIERPARK**

has been acquired by

**First Eagle Investments**

Sellside Advisor

**ARK INVEST**

has sold a minority stake to

**American Beacon\***

a portfolio company of

**KEISO** **ESTANCIA**

Sellside Advisor\*

**IRON PARK**  
CAPITAL

has sold a minority equity GP Stake to

**HUNTER POINT CAPITAL**

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**  
OCSI | Strategic Income Corporation

has merged with

**OAKTREE**  
OCSI | Specialty Lending Corporation

Special Committee 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

**TCAP** 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

**ATAF**

Buy-side Advisor

**annexus\***

Senior Secured Term Loan

Recapitalization

\$47,500,000

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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