

Quarterly Industry Update

As of September 30, 2015

Industry: Investment Advisory

Industry Summary

Cogent Valuation identified Investment Advisory publicly traded companies, IPOs, and recent M&A transactions within the Investment Advisory industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since September 30, 2014, the median 52-week share price return of the Investment Advisory industry was -5.5%. Between September 30, 2013 and September 30, 2015, the median EV/EBITDA multiple decreased from 13.5 to 8.3. Furthermore, the median price-to-earnings multiple decreased from 20.2 to 15.3 over the same period.

Comparable Public Company Key Statistics

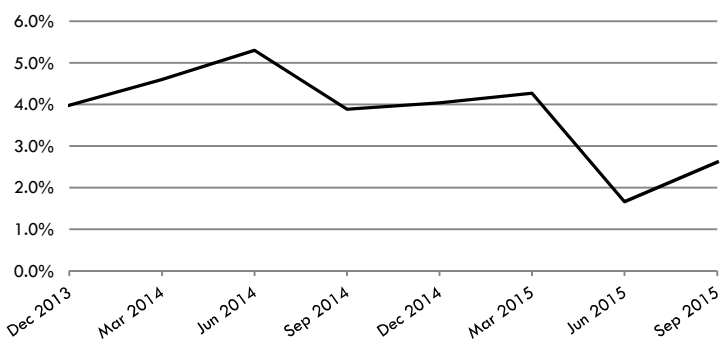
Median 52-Week Return	-5.5%	Median EV/Revenue Multiple	3.0x	Median Price/Earnings Multiple	15.3x
Median 3-Year CAGR Return	19.5%	Median EV/EBITDA Multiple	8.3x	Median EV/Gross CF Multiple	14.0x

Comparable Public Company Market Price Returns As of September 30, 2015

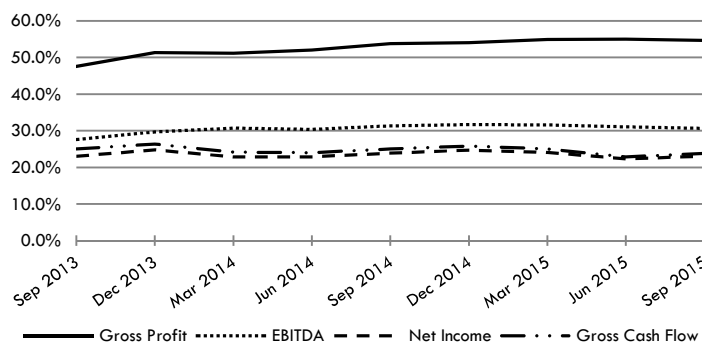
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
AllianceBernstein Holding L.P.	21.0%	-9.9%	2.3%	15.7%	20.0%	0.1%	21.0%	22.4%	33.3%	-43.9%	-17.0%
Ameriprise Financial, Inc.	15.0%	-12.6%	-11.5%	9.5%	24.4%	18.2%	15.0%	83.7%	26.2%	-13.7%	48.2%
Cohen & Steers Inc.	5.0%	-19.5%	-28.6%	-11.8%	-2.5%	4.8%	5.0%	31.5%	5.4%	10.7%	14.3%
Diamond Hill Investment Group Inc.	16.6%	-6.8%	51.2%	31.9%	34.4%	20.6%	16.6%	74.4%	-8.3%	2.3%	12.6%
Legg Mason Inc.	22.7%	-19.3%	-18.7%	11.5%	19.0%	6.5%	22.7%	69.1%	6.9%	-33.7%	20.3%
Oaktree Capital Group, LLC	-11.9%	-6.9%	-3.1%	-2.8%	6.5%	N/A	-11.9%	29.3%	N/A	N/A	N/A
Pzena Investment Management, Inc	-19.6%	-19.5%	-6.8%	14.6%	19.5%	5.3%	-19.6%	117.8%	24.7%	-41.1%	-9.7%
SEI Investments Co.	15.3%	-1.6%	33.4%	24.9%	31.0%	18.8%	15.3%	48.8%	34.5%	-27.1%	35.8%
Silvercrest Asset Management Group Inc.	-8.2%	-23.1%	-20.6%	-10.9%	N/A	N/A	-8.2%	N/A	N/A	N/A	N/A
Waddell & Reed Financial, Inc.	-23.5%	-26.5%	-32.7%	-17.8%	2.0%	4.9%	-23.5%	87.0%	40.6%	-29.8%	15.6%
Westwood Holdings Group Inc.	-0.1%	-8.8%	-4.1%	6.4%	11.7%	9.9%	-0.1%	51.4%	11.9%	-8.5%	10.0%
WisdomTree Investments, Inc.	-11.5%	-26.6%	41.7%	17.9%	34.0%	45.8%	-11.5%	189.4%	1.2%	45.8%	124.3%
Median of Industry Public Companies	2.4%	-15.9%	-5.5%	10.5%	19.5%	8.2%	2.4%	69.1%	18.3%	-20.4%	14.9%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Investment Advisory Companies



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



Median Public Company Multiples of the Investment Advisory Industry

Date:	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
EV/Revenues Multiple	4.2x	4.7x	4.3x	4.0x	3.4x	3.5x	2.9x	3.3x	3.0x
EV/EBITDA Multiple	13.5x	13.3x	13.5x	11.7x	9.6x	9.5x	9.3x	10.2x	8.3x
Price/Earnings Multiple	20.2x	21.2x	20.6x	19.2x	16.6x	17.0x	17.6x	18.8x	15.3x
EV/Gross Cash Flows Multiple	17.4x	18.1x	17.6x	16.5x	17.2x	17.6x	17.4x	16.6x	14.0x

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Industry Initial Public Offerings (dollars in millions, except share prices)

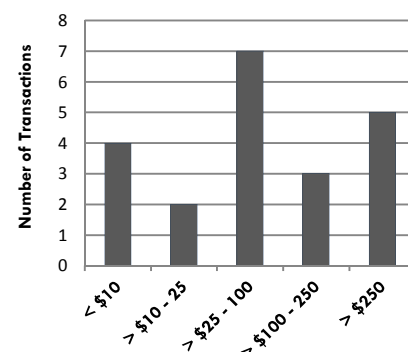
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
5/8/2013	Tristate Capital Holdings, Inc.	\$11.50	5.7	\$65.6	\$2,073.1	\$27.3	\$55.4	NA	\$10.7	N/A
5/8/2013	PennyMac Financial Services, Inc.	\$18.00	11.1	\$200.0	\$832.2	\$447.1	\$277.3	NA	\$10.3	N/A
5/1/2013	Voya Financial, Inc.	\$19.50	65.2	\$1,271.2	\$220,850.0	\$5,110.8	\$9,948.6	\$1,273.9	\$766.2	\$1,273.9
3/6/2013	Artisan Partners Asset Management Inc.	\$30.00	11.1	\$331.6	\$287.6	\$290.0	\$505.6	\$49.5	\$33.8	\$51.9
4/11/2012	Oaktree Capital Group, LLC	\$43.00	7.9	\$380.2	\$44,294.2	\$709.9	N/A	N/A	N/A	N/A
11/17/2011	Manning & Napier, Inc.	\$12.00	12.5	\$150.0	\$66.1	\$0.3	\$323.1	\$197.8	\$92.2	\$199.0
Median of All IPOs		nm	nm	\$265.8	\$1,452.6	\$368.5	\$323.1	\$197.8	\$33.8	\$199.0

nm: not meaningful, N/A: not applicable

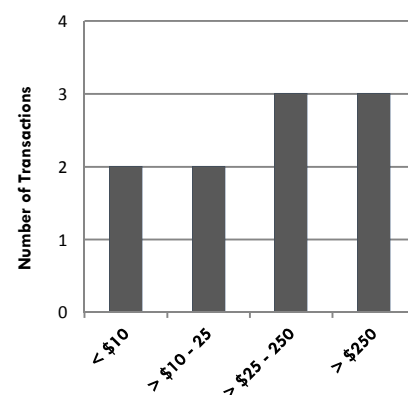
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
9/30/2015	Finter Bank Zürich AG	Vontobel Holding AG	\$82.0	100%	N/A	N/A
9/20/2015	Conning & Company Inc.	Cathay Life Insurance	\$240.0	100%	N/A	N/A
9/16/2015	BHF Kleinwort Benson	Billion Eastgate	\$540.6	74%	\$476.2	0.0x
8/31/2015	Savills Fund Management	Savills Investment Mgmt.	\$22.9	100%	\$46.4	0.5x
7/31/2015	Red Rocks Capital LLC	ALPS Holdings, Inc.	\$65.0	100%	N/A	N/A
7/13/2015	Entrust Private Wealth	Euroz Limited	\$5.9	100%	N/A	N/A
6/30/2015	DNCA Finance	Natixis Global Asset Mgmt.	\$625.2	71%	N/A	N/A
6/23/2015	Boyd Coughlan Ltd.	Mattioli Woods PLC	\$11.1	100%	\$4.0	2.8x
5/29/2015	Finova Singapore Pte.	ZICO Holdings Inc.	\$6.3	100%	N/A	N/A
4/30/2015	Independent Financial	AFH Financial Group Plc	\$6.2	100%	\$4.7	1.3x
4/1/2015	Cogent Partners, LP	Greenhill & Co., Inc.	\$102.6	100%	\$46.4	0.0x
3/3/2015	Doral Money Inc.	Triumph Capital Advisors	\$133.3	100%	N/A	N/A
12/22/2014	NexGen Financial Corp.	Natixis Global Asset Mgmt.	\$36.0	100%	\$11.7	2.4x
12/2/2014	Frank Russell Company	London Stock Exchange	\$2,700.0	100%	\$1,604.0	1.7x
10/2/2014	Boston Private Wealth	Boston Private Bank	\$60.0	100%	N/A	N/A
10/1/2014	Placemark Investments	Envestnet, Inc.	\$66.0	100%	\$20.9	3.2x
10/1/2014	Nuveen Investments, Inc.	TIAA-CREF Asset Mgmt.	\$6,250.0	100%	\$1,074.7	5.8x
9/30/2014	EIM SA	Gottex Fund Management	\$35.5	100%	N/A	N/A
9/26/2014	Jupiter Asset Management	Rathbone Investment Mgmt.	\$71.8	100%	N/A	N/A
9/5/2014	Numeric Investors LLC	Man Group plc	\$494.0	100%	\$89.3	5.5x
8/28/2014	Select Asset Mgmt.	OneVue Holdings Ltd.	\$4.6	100%	N/A	N/A
Median of the 21 M&A Transaction Targets			\$66.0	100%	\$46.4	2.0x

Size of M&A Transactions



LTM Revenues Reported



Definitions of Financial Terms Used in this Quarterly Industry Update:

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

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

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

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

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