

January 13, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



Courtesy of:

FINANCIAL
TECHNOLOGY
PARTNERS

***The Only Investment Bank
Focused Exclusively on Financial Technology***

www.ftpartners.com



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Invesco Acquires Jemstep

Transaction Overview

FT Partners recently advised BlackRock on its acquisition of digital wealth solution provider FutureAdvisor



[Click to view our in-depth transaction profile](#)



Transaction Overview

- On January 12, 2016, Invesco announced it had acquired Jemstep, a provider of advisor-focused digital wealth management solutions
- The news comes a few months after public speculation indicating that Invesco and State Street might move into the “robo-advisor” space in order to keep up with rivals like Vanguard, which developed its own internal “robo-advisor” platform, and BlackRock, which acquired FutureAdvisor ⁽¹⁾
- Jemstep’s Chief Executive Officer, Kevin Cimring, and President, Simon Roy, will remain with the Company
- Terms of the transaction were not disclosed

Transaction Rationale

- Invesco plans on having its sales and service teams work with home offices and advisors to implement Jemstep’s technology, which includes tracking advisor processes, viewing client data and managing risk
- Through the acquisition, Invesco will also offer advisors more than market-cap weighted indexing by providing access to a variety of professionally selected investment options across mutual funds and ETFs
- Invesco believes the acquisition will expand its advisor relationships by providing them with better digital technology for interfacing with clients

Invesco Commentary

"We believe investors are best served by partnering with a financial advisor to reach their unique investment goals. We have a deep history of providing advisors with the tools they need to help their clients achieve their desired investment outcomes through a broad range of high conviction active and factor-based investment strategies. As we continually look to enhance our partnerships with advisors, we recognize that digital solutions can expand their options for meeting client needs. Jemstep's proven platform enhances our ability to help advisors grow their business and by seeking to deliver superior client experiences in a rapidly evolving market environment."

– Martins Flanagan, CEO and President of Invesco

Jemstep Commentary

"Similar to Invesco's objective of helping advisors provide the best solutions for clients, Jemstep was founded on the principle of helping advisors differentiate their offerings by maintaining competitiveness. This includes helping them grow their business by gaining access to new markets or expanding access to current ones while also helping them meet their clients' needs."

– Simon Roy, President of Jemstep

Source: Company press release.

(1) ThinkAdvisor.

Invesco Acquires Jemstep

Jemstep Overview



Company Overview

CEO: Kevin Cimring
Headquarters: Los Altos, CA
Founded: 2008

- Jemstep operates Jemstep Advisor Pro, providing investment advisors with robo-technology for client engagement, onboarding and service delivery
 - Customizable platform for each client
 - Allows for easy onboarding of a variety of accounts, including millennial, mass affluent and high-net worth clients
- Jemstep is integrated with Fiserv to allow clients to link all investment accounts
 - Also integrated with Orion, Salesforce and DocuSign for easy usage with existing back-office and CRM products and workflows
- The platform also provides the Firm's recommended portfolio, comparisons of recommended portfolios with current portfolios, back-testing and other optional analysis

M&A and Financing History

Date	Size (\$ mm)	Investor / Acquirer (s)
01/12/16	na	Acquired by Invesco
10/03/13	\$11	Secured financing from Caleo Capital
01/01/08	5	Secured financing from undisclosed investors

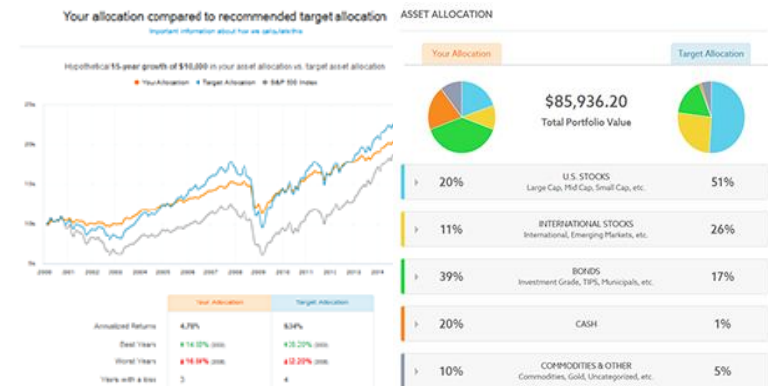
Source: Capital IQ, Company website.

Products & Services Overview

CRM and Email Marketing Integration



Perform analysis and display model portfolios and comparisons to convert potential customers; allows for the aggregation of accounts to target larger amounts of assets





Invesco Acquires Jemstep

Invesco Overview



Company Overview

CEO: Martin Flanagan

Headquarters: Atlanta, GA

Founded: 1935

- Invesco is a publicly traded investment management company with international operations in 20 countries, serving more than 150 countries
- The Company offers a wide range of single-country, regional and global capabilities across major equity, fixed income and alternative asset classes, delivered through diverse set of investment vehicles
- Invesco provides its services to retail clients, institutional clients, high-net worth clients, public entities, corporations, unions, non-profit organizations, endowments, foundations, pension funds, financial institutions, and sovereign wealth funds

Selected Acquisition History

Date	Size (\$ mm)	Target Company
01/12/16	na	Jemstep
11/18/15	na	Religare Asset Management
10/19/09	\$1,344	Morgan Stanley's Retail Asset Management Business
07/23/06	375	WL Ross & Co.

Products & Services Overview

Full range of products and services covering the following:

Financial Professionals

- Financial advisors
- Retail wholesalers
- Financial planners
- Brokers / dealers
- Wirehouses

Individual Investors

- Full product suite for current investors and prospective investors
- Plan Administrators

Registered Investment Advisors

- RIAs
- SEC registered, independent advisors

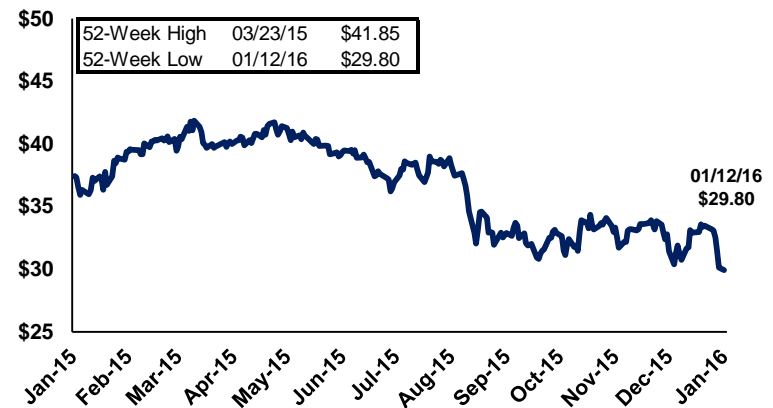
Institutions

- Defined benefits
- Public funds
- Corporations
- Endowments
- Taft-Hartley
- Insurance
- Custodians

Defined Contributions

- Plan sponsors
- Consultants
- Third-party administrators

NYSE: IVZ



Overview of FT Partners

FT Partners Advises BlackRock in its Acquisition of FutureAdvisor

Transaction Overview and Rationale

Overview of Transaction

- On August 26, 2015, BlackRock (NYSE: BLK) announced a definitive agreement to acquire 100% of FutureAdvisor
- FutureAdvisor is a leading digital wealth management platform with technology-enabled investment advice capabilities
- BlackRock offers investment management, risk management and advisory services to institutional and retail clients worldwide and has over \$4.7tn in assets under management⁽¹⁾
- Following the transaction, FutureAdvisor will operate as a business within BlackRock Solutions (“BRS”), BlackRock’s investment and risk management platform
- The transaction is expected to close in Q4 2015

Significance of Transaction

- Combines FutureAdvisor’s tech-enabled advice capabilities with BRS’ investment and risk management solutions
- Enables BlackRock to provide a B2B digital advice platform, which helps financial institution partners both improve their clients’ investment experiences and grow advisory assets
- Empowers partners to meet the growing demand among consumers to engage with technology to gain insights on their investment portfolios
 - Demand is particularly strong among the mass-affluent, who account for ~30% of investable assets in the U.S.

FT Partners’ Role

- FT Partners served as exclusive advisor to BlackRock
- Highlights FT Partners’ continued success advising a broad range of top-tier strategic investors across the financial technology landscape

Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its
exclusive role as advisor to*

BLACKROCK

in its 100% acquisition of



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Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

Wealth Management

Financial Technology Partners LP
FTP Securities LLC
*is pleased to announce its exclusive role as
Capital Markets & IPO Advisor to*

ENVESTNET

In its

\$69,000,000
Initial Public Offering

valuing the equity at approximately

\$ 300,000,000

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Financial Technology Partners LP
FTP Securities LLC
*is pleased to announce its exclusive role as
sole strategic and financial advisor to*

EISI

In its sale to

ZYWAVE

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Financial Technology Partners LP
FTP Securities LLC
*is pleased to announce its
exclusive role as advisor to*

BLACKROCK

in its 100% acquisition of

FutureAdvisor

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Data / Analytics

Financial Technology Partners LP
FTP Securities LLC
*is pleased to announce its exclusive role as
sole strategic and financial advisor to*

Zephyr
ASSOCIATES, INC.

In its sale to

informa

for total cash consideration of

\$ 62,000,000

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FTP Securities LLC
*is pleased to announce its exclusive role as
sole strategic and financial advisor to*

THE MARKETS.com

in its sale to

Capital IQ
A Division of Standard & Poor's

for total consideration of approximately

\$ 300,000,000

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*is pleased to announce its exclusive role as
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MERGENT

In the sale of its Index Business to

NASDAQ OMX

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High Frequency Trading

Financial Technology Partners LP
FTP Securities LLC
*is pleased to announce its exclusive role as
sole strategic and financial advisor to*

ATD
Automated Trading Partners, LLC

in its sale to

citi

*for cash and stock consideration of
approximately*

\$ 700,000,000

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QUANTHOUSE
SOLUTIONS FOR TRADING

In its growth financing with

ViewPoint.
Capital Partners

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Financial Technology Partners LP
FTP Securities LLC
*is pleased to announce its exclusive role as
sole strategic and financial advisor to*

WOMBAT
FINANCIAL SOFTWARE

in its sale to

NYSE Euronext

for total consideration of approximately

\$ 225,000,000

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Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

Trading Technology

Financial Technology Partners LP
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is pleased to announce its exclusive role as
sole strategic and financial advisor to

 **ITG** INVESTMENT
TECHNOLOGY
GROUP

In its acquisition of

 **macgregor**

for cash consideration of approximately

\$ 230,000,000

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TORA 

TECHNOLOGY. TRADING. LIQUIDITY.™

In its minority capital raise with

 **Goldman
Sachs**  **Bank of America
Merrill Lynch**

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 **TradingScreen**
SIMPLIFYING GLOBAL MARKETS®

In its minority recapitalization for

\$ 110,000,000

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TECHNOLOGY
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Other Capital Markets Technology

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to

 **MajesticResearch**

In its sale to

 **ITG** INVESTMENT
TECHNOLOGY
GROUP

for total consideration of approximately

\$ 56,000,000

 **FINANCIAL
TECHNOLOGY
PARTNERS**

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Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to

chi-x

In its sale of a minority stake to

 **Bank of America
Merrill Lynch**  **GETCO**  **Goldman
Sachs**

 **Morgan Stanley**  **QUANTLIB FINANCIAL, LLC**

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Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to

INSTINET

In the sale of its stake in

CHIX EUROPE
to

 **BATS**
Making Markets Better

for total consideration of approximately

\$ 305,000,000

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Overview of FT Partners

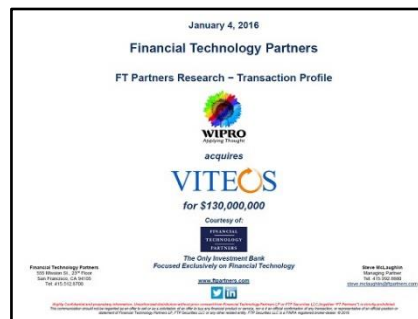
Selected FT Partners' Research (click to view)



Research Report: Innovations in Capital Markets



PENSICO Sells to Opus Bank for \$104 million



Wipro Acquires Viteos for \$130 million



BATS Files for its IPO



Warburg Pincus Acquires ITG Investment Research for \$121 million



Financial Engines Acquires the Mutual Fund Store



ICE Acquires Interactive Data for \$5.2 billion



Blucora Acquires HD Vest for \$580 million

FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 13 years of exclusive focus on Financial Technology. Please visit our [subscription form](#) to subscribe to our exclusive monthly newsletter and receive our research reports.

Overview of FT Partners

Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



M&A Advisor Awards

- | | |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2015 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Technology Deal of the Year |
| 2014 | <ul style="list-style-type: none"> ■ Equity Financing Deal of the Year ■ Professional Services Deal of the Year, Above \$100mm |
| 2012 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Professional Services Deal of the Year, Above \$100 mm |
| 2011 | <ul style="list-style-type: none"> ■ Boutique Investment Bank of the Year ■ Deal of the Decade ■ <i>10 Deal of the Year Nominations Across 9 Categories</i> |
| 2010 | <ul style="list-style-type: none"> ■ Upper Middle Market Deal of the Year, Above \$500 mm ■ IT Services Deal of the Year, Below \$500mm ■ Cross-Border Deal of the Year, Below \$500mm |
| 2007 | <ul style="list-style-type: none"> ■ Dealmaker of the Year – Steve McLaughlin ■ Business to Business Services Deal of the Year ■ Computer and Information Technology Deal of the Year, Above \$100mm ■ Financial Services Deal of the Year, Above \$100mm |



- | | |
|-----------|--------------------------------------------------------------------------------------------|
| 2015 | ■ Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List |
| 2006-2008 | ■ Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |



WINNER
Middle Market
Financing Awards

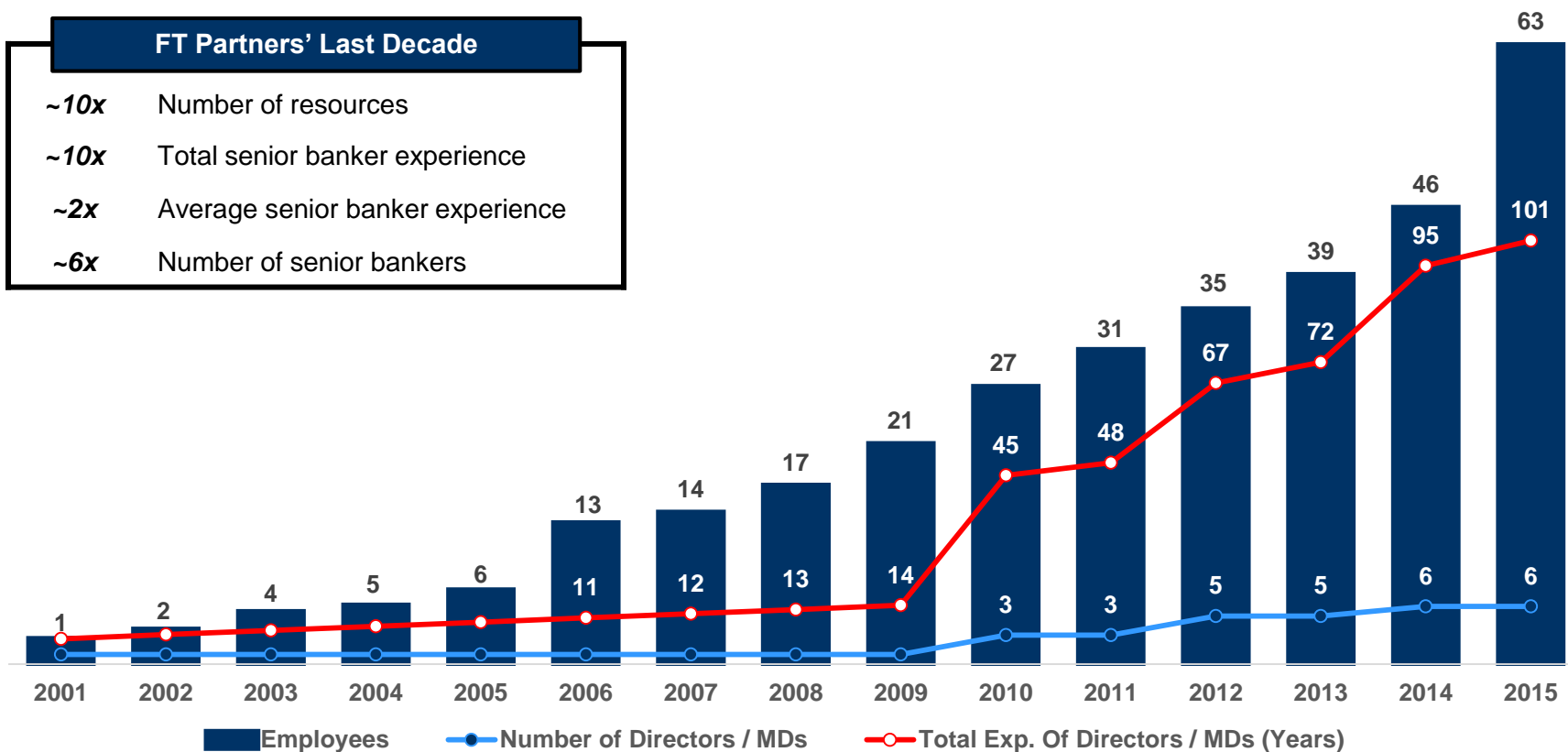
- | | |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2008 | <ul style="list-style-type: none"> ■ Equity Financing Dealmaker of the Year – Steve McLaughlin ■ Information Technology Deal of the Year ■ Financial Services Deal of the Year |
| 2006 | <ul style="list-style-type: none"> ■ Financing Professional of the Year – Steve McLaughlin ■ <i>Financing Deal of the Year - Equity</i> ■ <i>Financing Deal of the Year - Debt</i> |

Overview of FT Partners

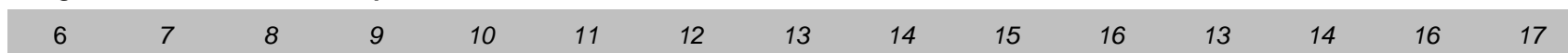
Platform of Choice for Clients and Bankers Alike

FT Partners' Last Decade

- ~10x Number of resources
- ~10x Total senior banker experience
- ~2x Average senior banker experience
- ~6x Number of senior bankers








Avg Years of Director / MD Experience



Overview of FT Partners

The FT Partners Senior Banking Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, TSS, GPN, HPY, DST, ENV, FISV, FIS & JKHY among others 	20
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	14
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10