

August 20, 2015

Financial Technology Partners LP

FT Partners Research – Transaction Profile



Acquires



Alternative Investor Services Unit

for \$425 million

Courtesy of:



*The Only Investment Bank
Focused Exclusively on Financial Technology*

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SS&C Acquires Citi's Alternative Investor Services Unit

Transaction Overview and Rationale

Transaction Overview

- On August 18, 2015, SS&C Technologies announced an agreement to acquire the alternative investor services unit of Citi for \$425 million
 - The transaction is subject to relevant regulatory approvals and other customary closing conditions
 - The transaction is expected to close in the first quarter of 2016
- The deal comes a day after Citi reached an agreement with the SEC to pay almost \$180 million to settle accusations that it had made false and misleading representations concerning the risk involved with two hedge funds
 - Citi consented to the SEC order, but did not confirm or deny the allegations
- In 2014, Citi reached a deal with US regulators that restricts it from selling investments in hedge funds and private equity funds to wealthy clients
- The acquisition includes Citi's Hedge Fund and Private Equity Fund Services units and approximately 1,500 of Citi's employees
 - According to FINAlternatives, it is unclear how many redundancies will be created by the merger and Citi has not commented on if or when downscaling of the acquired staff will occur
- The transaction is SS&C's second acquisition of 2015; in February, the Company acquired [Advent Software in a \\$2.7 billion deal](#)

Rationale

- The transaction expands SS&C's existing fund administration operations, which services onshore and offshore hedge funds, fund of funds and private equity funds
- Will likely generate headcount synergies for SS&C given the potential overlap with its existing fund services businesses
- Enables Citi to divest this non-core business while creating a positive outcome for Alternative Investor Services by enabling it to "...become part of a known leader in financial services with a demonstrated track record of delivering high-quality products and services to its clients"

Transaction Commentary

"This acquisition is solidly in line with SS&C's strategy of combining organic growth with select, high quality acquisitions. Citi Alternative Investor Services clients can be assured of SS&C's commitment to continue to serve them with world class people, process and technology. We are excited about adding these talented employees and look forward to the ideas and passion they will bring to our organization."

SS&C Bill Stone
CEO & Chairman



SS&C Acquires Citi's Alternative Investor Services Unit

Citi Alternative Investor Services Overview

Citi's Alternative Investor Services Unit is comprised of two major units, Hedge Fund Services and Private Equity Fund Services, which both provide end to end solutions from research to performance analytics to reporting

Citi's Alternative Investor Services Unit employs approximately 1,500 people

Hedge Fund Services



Administration & Custody

Provides automated order fulfillment, custody and cash management through flexible / transparent workflow



Middle Office & Risk Management

Track underlying fund performance, risk and investment liquidity, plus review investment guidelines and on-demand reporting



Research & Analytics

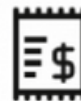
Track current and potential investments, generate fund profiles, and analyze peer groups and historical performance



Markets & Banking

Hedging solutions for custom portfolios and multi-asset class trading / hedging capabilities

Private Equity Services



Fund Administration

Citi quickly addresses the specific business needs of each client and provides fund administration, accounting and investor services



Portfolio Administration

Portfolio administration services include investment tracking, performance analytics, monitoring, forecasting and performance analytics



Tax Compliance Services

Citi's tax department provides client entities with tax return preparation, tax basis maintenance, foreign and state withholding services and tax-planning strategies



Corporate Services

Provides services to offshore entities including regulatory compliance, corporate secretarial services, offshore cash administration and shareholder services



SS&C Acquires Citi's Alternative Investor Services Unit

SS&C Technologies Overview



CEO: William Stone

Market Cap: \$6,847 mm

Headquarters: Windsor, CT







Founded: 1986

- **SS&C provides the global financial services industry with specialized software and services to help companies achieve optimal performance**
 - Employs over 4,600 people worldwide, with offices in North America, Europe, Asia Pacific, and Australia
 - SS&C's client base manages over \$44 trillion in assets combined
- **The company offers products and services in the areas of portfolio management / accounting, real-time trading systems, treasury operations, financial modeling, loan management/accounting, property management, and money market processing**
- **Reported total revenues of \$811.8 mm and EBITDA of \$309.7 mm (LTM as of 6/30/15)**

Selected Clients Across Business Lines



Selected Acquisitions

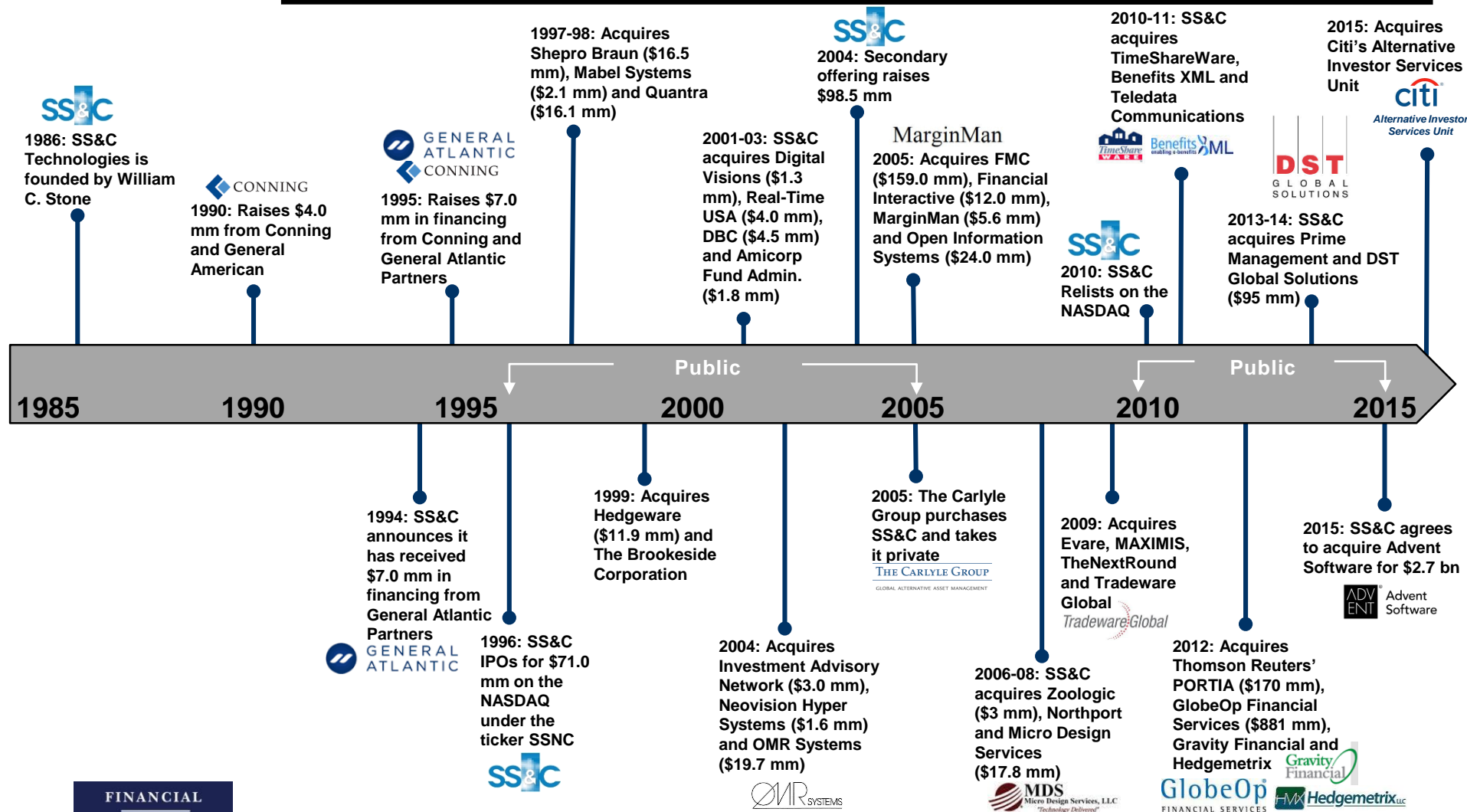
Company	Date	Price (\$ mm)	Description
ADVENT*	02/15	\$2,585	Advent designs software to automate portfolio management and accounting for the investment management industry
 DST GLOBAL SOLUTIONS	12/14	\$95	DST Global Solutions provides technology solutions to the global investment and wealth management industry for data aggregation, performance measurement, accounting and administration
 Hedgematrix uc	10/12	na	Hedgematrix is a full-service fund administrator providing accounting, tax, and consulting services to a wide variety of domestic and offshore hedge funds, private equity funds, funds of funds and their investment managers
 Gravity Financial	09/12	na	Gravity Financial provides alternative investment accounting services focusing on fund performance reporting, reconciliation of fund trial balance, preparation of fund financial and investor capital statements, allocation of financial income and data reporting services
 GlobeOp FINANCIAL SERVICES	03/12	881	GlobeOp is a leading fund administrator providing the world's most comprehensive array of financial technology products and services
 Benefits XML	03/11	15	BenefitsXML created an internet-based platform for employers and benefit providers that has all the functionality and capabilities of an ERP system with the usability and short implementation time of an ASP
 Tradeware Global	01/10	na	Tradeware specializes in flexible FIX-based equity order management systems, FIX connectivity solutions, full front-to-back office integration and compliance reporting services



SS&C Acquires Citi's Alternative Investor Services Unit

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SS&C Company Timeline



FINANCIAL
TECHNOLOGY
PARTNERS

Source: Capital IQ, Wall Street Broker Research, Company website.

Overview of FT Partners

Significant Experience in Capital Markets Technology

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
sole strategic and financial advisor to

FORTIGENT

In its strategic capital raise with

AMG

for approximately

\$ 11,000,000

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

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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Financial Technology Partners LP
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is pleased to announce its exclusive role as
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QUANTHOUSE
SOLUTIONS FOR YOUR FIRM

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

FINANCIAL TECHNOLOGY PARTNERS
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Overview of FT Partners

Significant Experience in Capital Markets Technology

Trading Technology

Financial Technology Partners LP
FTP Securities LLC

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

 **FINANCIAL
TECHNOLOGY
PARTNERS**

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Financial Technology Partners LP
FTP Securities LLC

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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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TECHNOLOGY
PARTNERS**

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Focused Exclusively on Financial Technology


Financial Technology Partners LP
FTP Securities LLC

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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**

The Only Investment Bank
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**

 **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

INSTINET

In the sale of its stake in

CHIXEUROPE
to

 **BATS**
Trading Markets Better

for total consideration of approximately

\$ 305,000,000

 **FINANCIAL
TECHNOLOGY
PARTNERS**

The Only Investment Bank
Focused Exclusively on Financial Technology

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

- | | |
|------|--|
| 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 |



- | | |
|-----------|---|
| 2006-2008 | <ul style="list-style-type: none"> ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
|-----------|---|



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> |