

FT PARTNERS FINTECH INDUSTRY RESEARCH

May 30, 2017



London
Stock Exchange

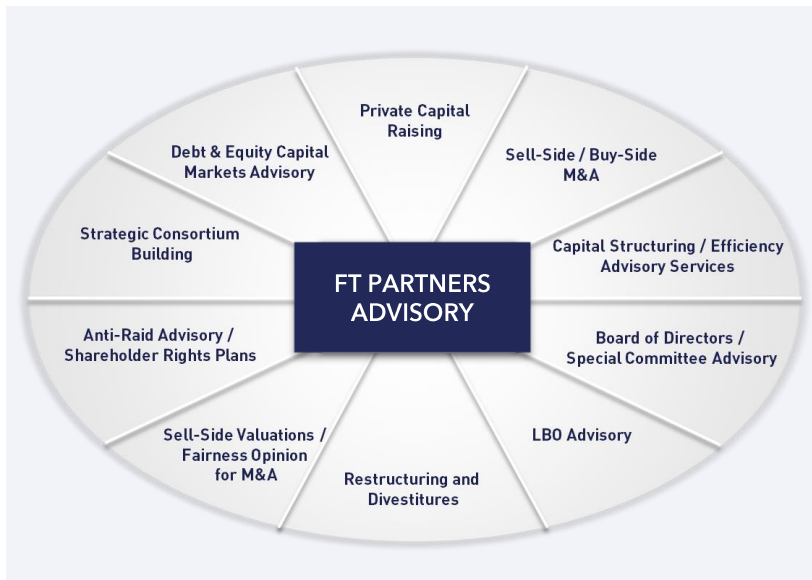
**London Stock Exchange Acquires The Yield Book
and Citi's Fixed Income Indices for \$685 million**



Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- 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 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #4 Most Influential Person in all of FinTech in *Institutional Investor* "FinTech Finance 35"



Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: *Founder & CEO*

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Transaction Summary



Transaction Summary

- On May 30, 2017, London Stock Exchange ("LSE") announced that it had agreed to acquire Citi's Fixed Income Indices and The Yield Book for \$685 million in cash
 - The acquisition is subject to customary regulatory approval and is expected to close in the second half of 2017
- The acquisition will significantly enhance London Stock Exchange's data and analytics capabilities of its Information Services Division ("ISD") and also its FTSE Russell franchise
 - The transaction will increase benchmark AUM to approximately \$15 trillion, enhance analytics capabilities and also a broader multi-asset customer servicing capability
 - FTSE Russell will now be able to offer a comprehensive fixed income index family, along with a complementary suite of fixed income analytics to customers
 - The acquisition of The Yield Book also strengthens LSE's presence in the US, ISD's global distribution capabilities and provides strong connectivity to the North American and Asian asset management communities
 - This transaction reflects London Stock Exchange's commitment to expand ISD's capabilities
 - This acquisition follows several others, such as the Russell Indices in 2014 and Mergent in 2016
- The acquisition will be funded from existing cash balances and credit facilities

Expected Synergies

- The acquisition is expected to provide revenue synergies of \$30 million and cost synergies of \$18 million
 - These synergies will be realized through new product opportunities and operational efficiencies
 - 3 years post-transaction, LSE expects to increase EBITDA margins by at least 50%

Transaction Multiples (Combined Citi Businesses)

EV / 2016 Revenue
6.4x

EV / 2016 EBITDA
14.9x

Transaction Commentary

"The acquisition of The Yield Book and Citi Fixed Income Indices supports the continued strong growth and development of London Stock Exchange Group's Information Services division. The acquisition represents a significant step for FTSE Russell to acquire a world-class fixed income analytics and index business, enhancing our ability to provide customers with broader multi-asset capabilities and a deeper data and analytics offering. I very much look forward to working together with the team at Yield Book and Citi Fixed Income Indices as we develop our businesses over the coming months. We are also delighted that Citi will remain a significant customer of the Yield Book and a long term partner."



Mark Makepeace
Group Director of Information Services,
CEO of FTSE Russell



The Yield Book and Citi's Fixed Income Indices Overview



Company Overview



Headquarters: New York, NY

Founded: 1989

- **The Yield Book is the leading provider of fixed income analytics**
 - The Company enables market makers and institutional investors to perform accurate portfolio analysis and risk management
- **The Company collaborates with Citi's research and strategy teams to develop models**
 - The Yield Book's range of products in the fixed income space include governments, agencies, corporates, high yield, emerging markets, mortgages, ABS, CMBS, CMOs and derivatives
 - The Company serves investment management firms, banks, central banks, insurance companies, pension funds, hedge funds and broker dealers
- **The Yield Book is headquartered in New York but has offices across the globe, including London, Hong Kong, Tokyo and Taipei**

Company Overview



Headquarters: New York, NY

Founded: 1812

- **Citi has been producing fixed income indices for over 30 years**
 - The indices are designed to appeal to a wide variety of market participants
 - One of the most closely followed indices is Citi's World Government Bond Index
- **Citi's Fixed Income Indices have approximately 300 clients across the globe**
 - About 200 of these clients are buy-side asset managers and asset owners
- **The indices cover a range of strategies, from traditional market value-weighted benchmarks to alternatively-weighted strategies**
- **The indices are regulated under IOSCO principles**

London Stock Exchange Overview

Company Overview



London
Stock Exchange

CEO:	Xavier Rolet
Headquarters:	London, UK
Founded:	2007

- The London Stock Exchange Group (LSE.L) provides international markets infrastructure
 - The Company operates a wide range of equity, ETF, bond and derivatives markets
 - The Group also provides post trade and risk management services
 - London Stock Exchange is also a leader in indexing and analytic solutions
- The London Stock Exchange has a global presence, with approximately 4,700 employees in North America, Italy, France and Sri Lanka

Financial Metrics ⁽¹⁾

Ticker	LSE.L
Market Cap	£11.9 bn ⁽²⁾
2016 Revenue	£1.5 bn
2016 Adj. EBIT	£686 mm

Products & Services Overview

Capital Markets

- London Stock Exchange – the most international market
- Borsa Italiana – the capital raising center for luxury brands
- MTS – facilitator for electronic fixed income trading market
- Turquoise – Pan-European equities market



Market Data and Information



- Indices – informed investment decisions and benchmarks
- Market data and statistics – detailed analyses of market performance
- Regulatory news service – live market updates
- Real-time data – LSEG markets, as it happens

CCP Services

- CC&G Post Trade Services – central counterpart services to multiple venues, covering a wide range of asset classes
- LCH – multi-national clearing house



Technology



- Hosting and connectivity solutions
- Trading solutions from Gatelab
- X2M – low latency trading access to international markets

Settlement and Custody

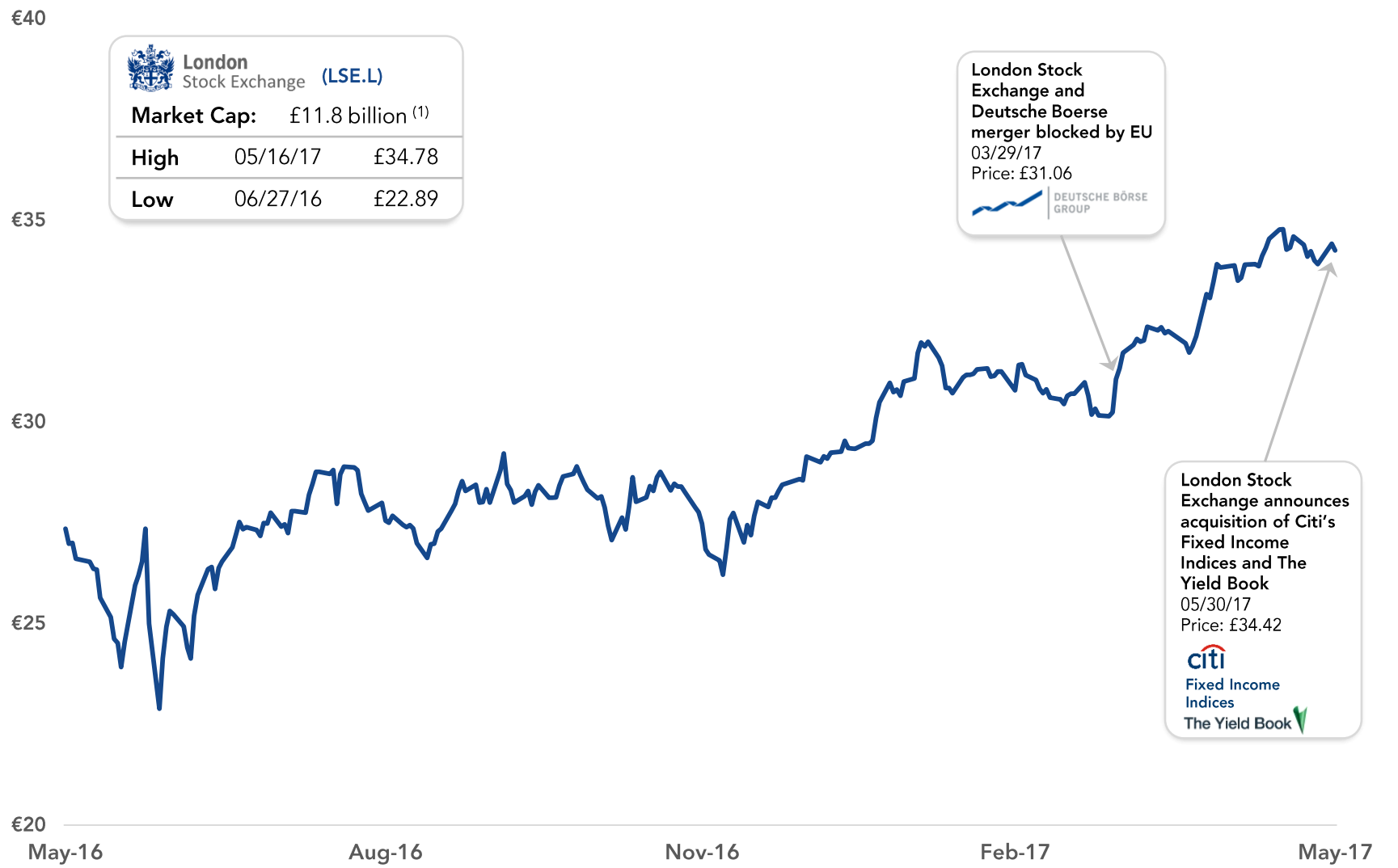
- Monte Titoli – leader in post-trade services with an AA rating from Thomas Murray
- T2S – centralized settlement platform for securities



London Stock Exchange Acquires Two of Citi's Businesses

FT PARTNERS RESEARCH

London Stock Exchange Stock Performance



Source: SEC Filings, Capital IQ
(1) As of May 31, 2017

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Selected FT Partners Research – *Click to View*



Research Report: Innovations in Capital Markets Technology



Riskalyze's \$20 mm growth financing



Cowen Group Acquires ConvergeX for \$116 million



Factset Acquires BISAM for \$205 million



Euronext Acquires FastMatch for \$153 million



Robinhood Raises \$110 million in Series C Financing led by DST Global



Moody's Acquires Bureau van Dijk for €3 billion



Hellman & Friedman and GIC Acquire Allfunds Bank Valued at \$1.9 billion

[VIEW MORE FT PARTNERS RESEARCH](#)

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Selected FT Partners Capital Markets / WealthTech Transactions

M&A Transactions

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>BLACKROCK</p> <p>in its 100% acquisition of</p> <p>FutureAdvisor</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>PENSICO TRUST COMPANY</p> <p>in its sale to</p> <p>OpusBank</p> <p>for total consideration of</p> <p>\$ 104,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>Alpha</p> <p>in its acquisition by</p> <p>CHI X EUROPE</p> <p>Maple Group</p> <p>valued at approximately</p> <p>\$ 175,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>ATD</p> <p>in its sale to</p> <p>citi</p> <p>for cash and stock consideration of approximately</p> <p>\$ 680,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>INSTINET</p> <p>in the sale of its stake in</p> <p>CHI X EUROPE</p> <p>to</p> <p>BATS</p> <p>for total consideration of approximately</p> <p>\$ 305,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>THE MARKETS.COM</p> <p>in its sale to</p> <p>Capital IQ</p> <p>A Division of Standard & Poor's</p> <p>for total consideration of approximately</p> <p>\$ 300,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>WOMBAT</p> <p>FINANCIAL SOFTWARE</p> <p>in its sale to</p> <p>NYSE Euronext</p> <p>for total consideration of approximately</p> <p>\$ 225,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>ShareholderInSite</p> <p>in its sale to</p> <p>IPREO</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>Zephyr</p> <p>in its sale to</p> <p>informa</p> <p>for total cash consideration of</p> <p>\$ 62,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>

Financing Transactions

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>riskalyze</p> <p>in its growth equity investment led by</p> <p>FTV CAPITAL</p> <p>for total consideration of</p> <p>\$ 20,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>alphasense</p> <p>in its growth financing from</p> <p>Quantum Strategic Partners</p> <p>in private investment vehicle management by DELTA</p> <p>for total consideration of</p> <p>\$ 33,000,000+</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as Capital Markets & IPO Advisor to</p> <p>ENVESTNET</p> <p>in its</p> <p>\$69,000,000</p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>\$ 300,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>chi-x</p> <p>in its sale of a minority stake to</p> <p>Bank of America Merrill Lynch</p> <p>GETCO Goldman Sachs</p> <p>Morgan Stanley QUANTLAB FINANCIAL, LLC</p> <p>for total consideration of approximately</p> <p>\$ 250,000,000</p> <p>valued at approximately</p> <p>\$ 1,800,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>liquidnet</p> <p>in its financing for approximately</p> <p>\$ 250,000,000</p> <p>valued at approximately</p> <p>\$ 1,800,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>AXIAL</p> <p>in its financing led by</p> <p>Edison</p> <p>PARTNERS</p> <p>for total consideration of approximately</p> <p>\$ 14,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>INVESTEDGE</p> <p>on its debt financing from</p> <p>VISTARA CAPITAL PARTNERS</p> <p>for total consideration of</p> <p>\$ 5,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>QUANTHOUSE</p> <p>in its growth financing with</p> <p>ViewPoint</p> <p>Capital Partners</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>MarketAxxess</p> <p>in its minority capital raise with</p> <p>TCV</p> <p>for approximately</p> <p>\$ 35,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>

FT Partners has advised on some of the most prominent and groundbreaking transactions in the Securities / Capital Markets / Wealth Technology sectors

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



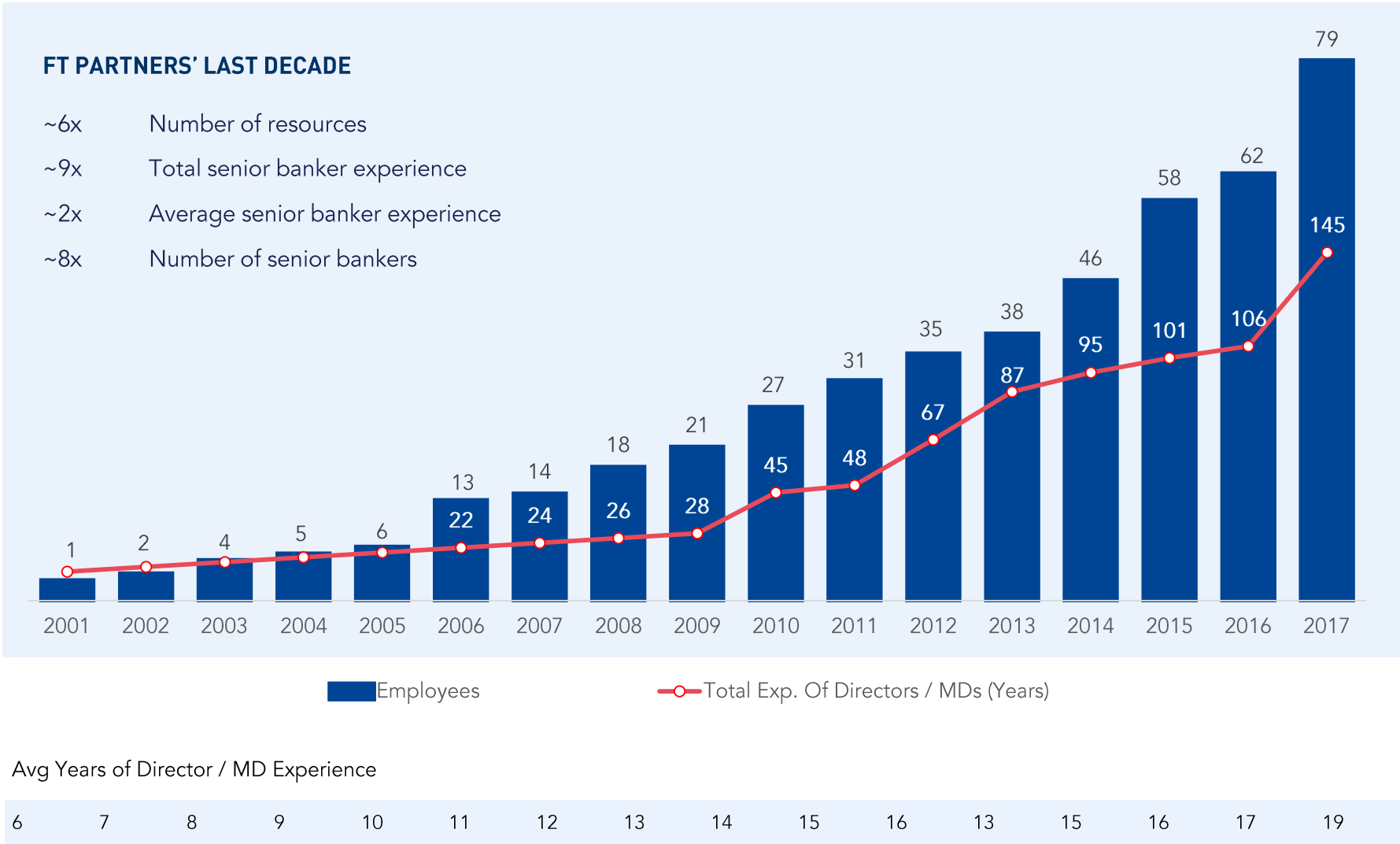
M&A Advisor Awards











Middle Market Financing Awards

2016	<ul style="list-style-type: none"> Investment Banking Firm of the Year Cross Border Deal of the Year
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 \$100mm
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	<ul style="list-style-type: none"> Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
2006 - 2008	<ul style="list-style-type: none"> Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology
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>

Platform of Choice for Clients and Bankers Alike



The FT Partners Senior Banker 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 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	22
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. 	22
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	21
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Former Managing Director / Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank 	19
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	15
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	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 	11