

November 16, 2015

Financial Technology Partners

FT Partners Research – Transaction Profile



sells Calgary-based research unit to

WARBURG PINCUS

for \$121 million

Courtesy of:



*The Only Investment Bank
Focused Exclusively on Financial Technology*

www.ftpartners.com



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ITG Sells Research Unit to Warburg Pincus for \$121 million

Transaction Overview

Transaction Overview

- On November 5, 2015, Investment Technology Group (ITG) announced that it had signed an agreement to sell its Calgary-based Energy Research Group, which is a unit of ITG Investment Research, to Warburg Pincus for \$120.5 mm in cash
- The transaction is expected to close by the end of 2015 and will net between \$90 – 95 mm after taxes to ITG
- ITG is an independent broker and financial technology solutions provider that works with traders and portfolio managers to drive data insights
- ITG's Energy Research Group consists of a combination of financial analysts and engineers that cover over 150 companies in the energy industry
- Upon the completion of the transaction, Warburg Pincus plans to rename the research group and will retain all 44 of the Calgary-based employees, including the oil and gas team
- ITG is in the process of determining how the proceeds from the transaction will be used, including the possibility of share repurchases or other strategic initiatives

Transaction Rationale

- Warburg Pincus plans to continue to invest in the research business to enhance its client service and product offerings, as well as to continue growing the oil and gas research focus of the group

ITG Commentary

"We are pleased with the value we have been able to create for shareholders from the growth in energy research since we acquired the business in 2011. We look forward to partnering with Warburg Pincus and the energy research team to continue providing their exceptional research product to our clients."

- Steve Vigliotti, ITG Chief Financial Officer

"ITG is not standing still, we are managing our capital in a manner that is best for our business and our shareholders."

- Jarrett Lilien, ITG interim Chief Executive Officer

Warburg Pincus Commentary

"We look forward to partnering with management in this next chapter for the business. We are excited about building on the energy research team's success with its differentiated product offerings and utilizing our information services experience to accelerate its growth plans, to the benefit of its institutional and oil and gas clients."

- Cary J. Davis, Managing Director, Technology, Media and Telecommunications, Warburg Pincus

ITG Sells Research Unit to Warburg Pincus for \$121 million

ITG Overview

Interim CEO: Jarret Lilien

Market Cap: \$649 mm

Headquarters: New York, NY

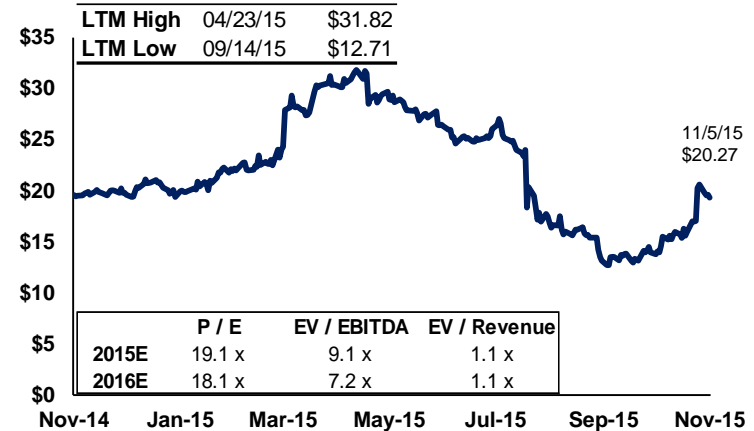
Founded: 1983

- Investment Technology Group (ITG) is a research broker and independent execution provider for companies located in North America, Europe and Asia / Pacific
- The Company offers a number of additional services / solutions including investment research, trading analytics, trade processing services, and portfolio management

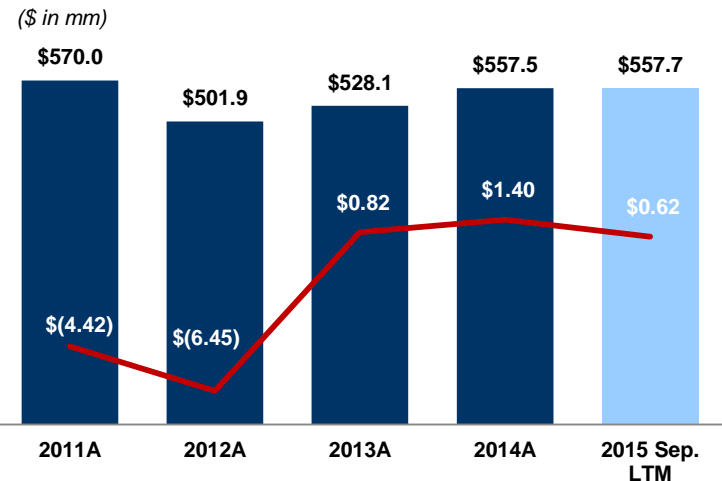
Selected Acquisition History

Date	Size	Target
07/30/14	na	ID's SAS
12/14/10	na	ESP TECHNOLOGIES
10/25/15	\$56	Majestic Research
04/29/10	na	disclosure insight <small>Better Disclosure for Better Decisions™</small>
09/19/05	10	PLEXUS <small>STRATEGIC. INSURANCE. SOLUTIONS.</small>
07/18/05	230	macgregor <small>unite and conquer™</small>

Stock Price Chart – NYSE:ITG



ITG Revenue & EPS



ITG Sells Research Unit to Warburg Pincus for \$121 million

Warburg Pincus Overview

Overview

WARBURG PINCUS



Michael Martin
Head of Financial
Services



Cary Davis
Managing Director



Adarsh Sarma
Managing Director



James Neary
Managing Director

Location(s)

- New York, NY (HQ)
- Hong Kong, China
- Amsterdam, Netherlands
- Shanghai, China
- London, UK
- San Francisco, CA
- Frankfurt, Germany
- Mumbai, India

About

- Founded in 1966, by Eric Warburg and Lionel Pincus, Warburg Pincus has invested over \$50bn since inception
- Warburg Pincus brings strong industry knowledge, market experience, the ability to invest and support all stages of a company, a long-term investment horizon, and the ability to fully align the interests of a portfolio company's management and the firm's own interests
- Active portfolio has more than 120 companies of various size across numerous industries

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Investment Preferences

Investment Criteria

Fund Size:	\$11,200mm
Fund Raised:	2012
Investment Range:	\$10–1,000mm
Revenue:	na
EBITDA:	na

General Preferences ⁽¹⁾

Control:	<i>Majority, Minority</i>
Geography:	North America, Europe, Asia / Pac, Latin America
Transaction Type:	Venture, Growth, Buyout, Spinoff, MBO/LBO, Recapitalization, Bankruptcy / Distressed
Industry Focus:	Financial Services, Healthcare, TMT, Energy, Consumer, Industrial and Services

Select Recent Investments / Exits

FinTech / Financial Services Investments ⁽²⁾

Date	Company	Deal Amt. ⁽³⁾	Board Rep.	Sector
11/15	ITG Investment Research (Buyout)	\$120	Cary Davis	CapMkts
10/15	WEX (PIPE)	na	na	Pymts
09/15	Capillary Technologies (Series C)	45	Nitin Nayar	Pymts
07/15	Bank of Baroda (Buyout)	na	na	Bnkg
05/15	PayScale (Buyout)	122	Parag Gupta	Pymts
03/15	DBRS (MBO)	na	Michael Martin	Bnkg
01/15	Avalara (Series D)	42	Justin Sadrian	FMS
12/14	Russell Investments (Buyout)	1,800	na	CapMkts
08/14	Huarong Asset Management (PE Growth)	2,354	na	CapMkts
06/14	EFS (Buyout)	1,000	James Neary	CapMkts
05/14	Capital First (Secondary)	51	Vishal Mahadevia	CapMkts
01/14	Source (Buyout)	na	Cary Davis	CapMkts
12/13	Santander Asset Management (Buyout)	1,791	Daniel Zilberman	CapMkts
12/12	T&C Asset Management (PE Growth)	na	na	CapMkts
08/12	InComm (Secondary)	na	James Neary	Bnkg
03/12	AU Financiers (PE Growth)	50	Vishal Mahadevia	Bnkg
12/11	Santander Consumer USA (MBO)**	1,000	Daniel Zilberman	Bnkg

Source: Capital IQ, Pitchbook

(1) *Italics* indicate preferred control / geography.

(2) * denotes M&A exit; ** denotes IPO exit.

(3) Deal Amount in mm.

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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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

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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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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
FTP Securities LLC
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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

Significant Experience in Capital Markets Technology (cont.)

Trading Technology

Financial Technology Partners LP
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 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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FTP Securities LLC

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 TradingScreen
SIMPLIFYING GLOBAL MARKETS®

In its minority recapitalization for

\$ 110,000,000

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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

 INVESTMENT TECHNOLOGY GROUP

for total consideration of approximately

\$ 56,000,000

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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

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

FT Partners Advises Majestic Research on its \$56 Million Sale to ITG

Transaction Overview and Rationale

Overview of Transaction

- Majestic Research Corp. (“Majestic” or “Company”) announced its sale to Investment Technology Group, Inc. (“ITG”) for \$56 million
- Majestic is an independent financial research business that utilizes proprietary methods and tools to gather and analyze unique and incisive data for its equity and market research
- ITG is an independent agency research broker that partners with asset managers globally to improve performance throughout the investment process
- Going forward, Majestic will be known as ITG Investment Research

Significance of Transaction

- Majestic’s equity and market research complements ITG’s portfolio of research tools for institutional investors
- Majestic’s equity and market research enables ITG to offer even more compelling value across the investment continuum to portfolio managers, analysts and traders

FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Majestic and its Board of Directors and helped the Company to evaluate various strategic alternatives
- This transaction showcases FT Partners’ expertise in the active market data, info services, research, distribution and risk management sub sectors of the securities and capital markets technology sector

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Majestic Research

in its sale to



for total considerations of approximately

\$ 56,000,000

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Overview of FT Partners

FT Partners Advises ITG on Strategic Acquisition of Macgregor

Transaction Overview and Rationale

Overview of Transaction

- Investment Technology Group announced its acquisition of The Macgregor Group for \$230 million in cash
- ITG is a specialized brokerage firm that provides clients with innovative technologies that span the entire electronic trading process from pre-trade analysis to trade execution to post-trade evaluation
- Privately held Macgregor was one of the world's first and leading order management systems (OMS)

Significance of Transaction

- Transaction was groundbreaking in the financial technology / capital markets area, marking the first true integration of OMS technology and an agency only broker
- At the time, represented the single largest acquisition for ITG since its inception

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisory to ITG and its Board of Directors
- FT Partners was chosen over long standing relationships with bulge bracket investment banks for our independence, financial technology expertise

Financial Technology Partners LP FTP Securities LLC

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



in its acquisition of



for cash considerations of approximately

\$ 230,000,000

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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 |

Institutional Investor
Institutional Investor
Annual Ranking

- | | |
|-----------|---|
| 2006-2008 | ■ 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> |

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Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

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. 	20
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. 	20
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, DFS, WEX, WU, EEFT, DST, ENV, FISV, FIS, GPN & HPY among others 	19
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. 	13
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 	9