

November 12, 2015

# Financial Technology Partners

## FT Partners Research – Transaction Profile

financial  
engines®

*acquires*



*for \$560 million*

*Courtesy of:*



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

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# Financial Engines Acquires The Mutual Fund Store for \$560 Million

## Transaction Overview

### Transaction Overview

- On November 5, 2015, Financial Engines announced that it had signed an agreement to acquire The Mutual Fund Store for \$560 million
- Based in Overland Park, KS, The Mutual Fund Store is an investment advisor that provides full service financial planning solutions for the everyday consumer
- Financial Engines, based in Sunnyvale, CA, is a technology-based registered independent investment advisor focusing on retirement and overall investment management
- The transaction is anticipated to close in early 2016 and is expected to result in annual EPS accretion of around 25% for Financial Engines
- As a part of the transaction, Warburg Pincus, a principal investor in The Mutual Fund Store, will receive shares of Financial Engines equal to 12.5% of the Company
- Following the close of the transaction, Warburg Pincus will become the largest shareholder in Financial Engines, and Michael Martin, Director at Warburg Pincus, will join Financial Engine's Board of Directors

### Transaction Rationale

- The transaction will allow Financial Engines to expand its independent advisory offerings to its 401K customers and more easily provide its customers with an option to meet with a dedicated financial advisor in its over 120 locations in the United States

### Financial Engines Commentary

*"We are excited to meet the growing demands of our customers and help 401(k) plan participants with their complete financial picture. By leveraging Financial Engines' scalable advice technology to power The Mutual Fund Store's services and in-person advisors, we believe we will be able to make high-quality investment advice and comprehensive financial planning available to everyone with access to our services through their employer. This acquisition advances our vision to provide independent advisory services to more people and we believe will also fuel significant future growth."*

- Lawrence Raffone, President and CEO of Financial Engines

### The Mutual Fund Store Commentary

*"We are thrilled to join forces with Financial Engines to provide comprehensive advisory services through the workplace. This transaction marks an exciting new chapter for our organization and for the advisory industry. We believe this powerful combination, based on our shared commitment to providing independent, objective advice, will benefit the customers we serve and accelerate growth opportunities for the combined entity."*

- John Bunch, CEO of The Mutual Fund Store

# Financial Engines Acquires The Mutual Fund Store for \$560 Million

## The Mutual Fund Store Overview



**CEO:** John Bunch

**Headquarters:** Overland Park, KS

**Founded:** 1996

- The Mutual Fund Store is a provider of investment advisory and asset management services in the areas of investment planning / management, research, and retirement planning
- The Company's solutions cover three main areas: Investment Services, Investment Education, and Planning / Retirement

- **Investment Services:** Focuses on two main areas, investment management and income, offering products such as 401K solutions, IRA accounts, annuity solutions, and retirement management
- **Investment Education:** Solutions and services are designed to allow customers to become more informed investors and promote autonomous and smart management of retirement accounts and investment portfolios
- **Planning / Retirement:** Focused around three main activities – accessing retirement status / needs, developing a retirement plan, and consistent monitoring / evaluating retirement plans

### Key Benefits



- **Face-to-Face Relationships:** Regular meetings with an advisor are encouraged and advisors take an elevated interest in their customer's success










- **Full Transparency:** Full disclosure of portfolio matters and investment agenda, as well as fee structure for portfolio management



- **One-on-One Planning:** Investment and retirement plans can be customized to the customer's unique needs / desires and tracked / monitored by The Mutual Fund Store's advisors

### Transaction History

Date	Size	Target	Acquirer
11/05/15	\$584	 THE MUTUAL FUND STORE®	 financial engines®
02/06/15	na	Stuart Woodbury Insurance	 THE MUTUAL FUND STORE®
07/29/11	na	 THE MUTUAL FUND STORE®	 WARBURG PINCUS
02/28/06	na	 THE MUTUAL FUND STORE®	 SUMMIT PARTNERS

# Financial Engines Acquires The Mutual Fund Store for \$560 Million

## The Mutual Fund Store Management Overview



**Adam Bold**, Chairman of the Board

- Founded the Company in 1996 and has previously held positions at Prudential Securities and Smith Barney
- Additionally, he hosts “The Mutual Fund Show”, a national daily radio program focused specifically on the mutual fund market



**John Bunch**, Chief Executive Officer

- Has served as CEO since February 2014 and manages the day-to-day operations of the Company, including its business strategy and direction
- Before joining The Mutual Fund Store, he was the President of Retail Distribution at TD Ameritrade



**Ted Bloomberg**, Chief Operating Officer

- Currently serves as COO and helps manage the direction, strategy and operations of the Company
- Prior to joining the Company, he worked at TD Ameritrade for 10 years, most recently holding the position of Managing Director of Investools



**Chris Bouffard**, Chief Investment Officer

- Has served in his current role since January 2013
- He has over 20 year’s experience in the industry and most recently, before joining The Mutual Fund Store, was the Vice President of Portfolio Research at American Century Investments



**Raffaele Sadun**, Chief Financial Officer

- Currently serves as the Company’s CFO and is responsible for the management of all financial functions of The Mutual Fund Store
- Before his current role, he was CFO of Adknowledge



# Financial Engines Acquires The Mutual Fund Store for \$560 Million

## Financial Engines Overview

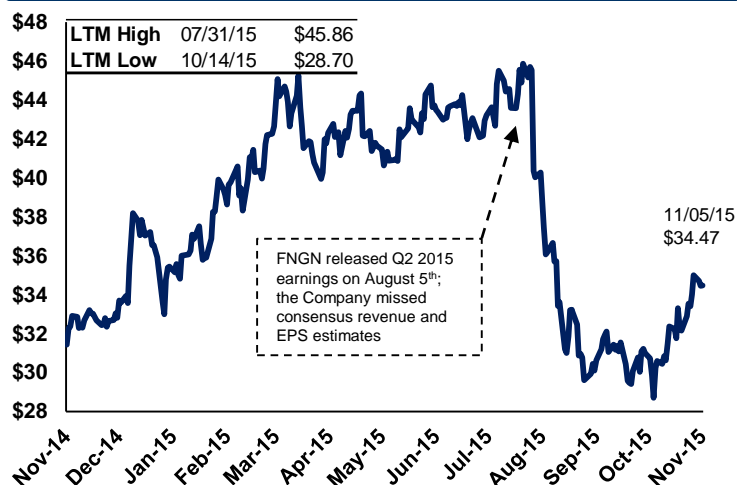
### Financial Engines Overview

- CEO:** Lawrence Raffone
- Market Cap:** \$1.7 bn
- Headquarters:** Sunnyvale, CA
- Founded:** 1996
- Financial Engines provides portfolio management services including investment advice, retirement management / planning and employee-sponsored contribution plans to customers in the United States
  - The Company's portfolio plans are customized to the customer's needs and retirement readiness, addressing all levels of preparedness or complexity of investment strategy

### Selected Financing History

Date	Size	Transaction	Lead Buyer(s)
12/09/09	\$146	IPO	Public
12/16/99	85	Financing	OAK HILL CAPITAL PARTNERS
06/03/99	20	Financing	AMERINDO INVESTMENT ADVISORS INC. Pivotal Asset Management

### NasdaqGS: FNGN



### Selected Customers

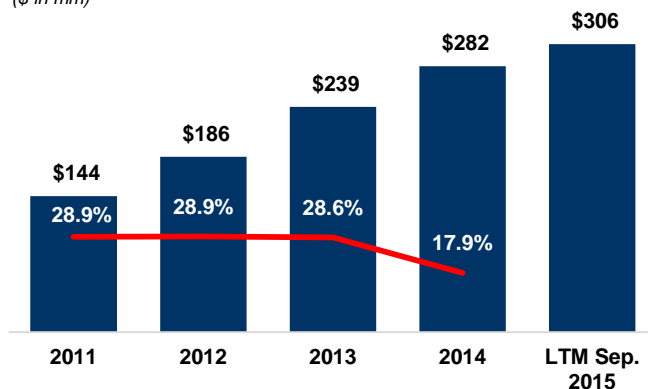


# Financial Engines Acquires The Mutual Fund Store for \$560 Million

## Financial Engines – Financial Overview

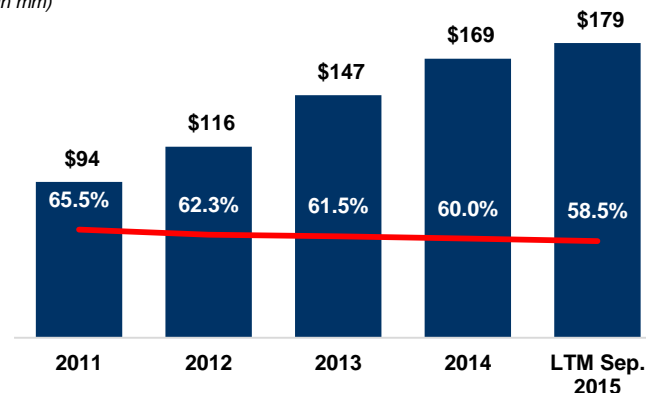
### Revenue / Growth

(\$ in mm)



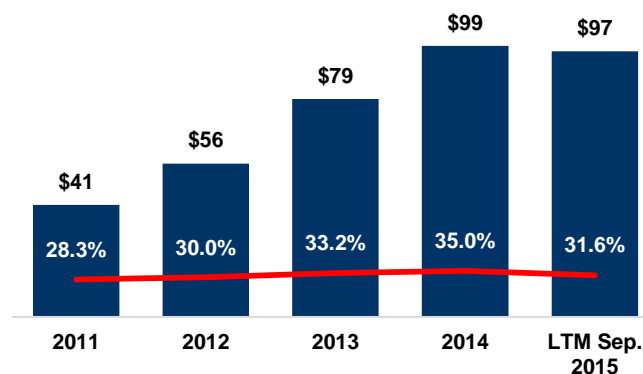
### Gross Profit / Margin

(\$ in mm)



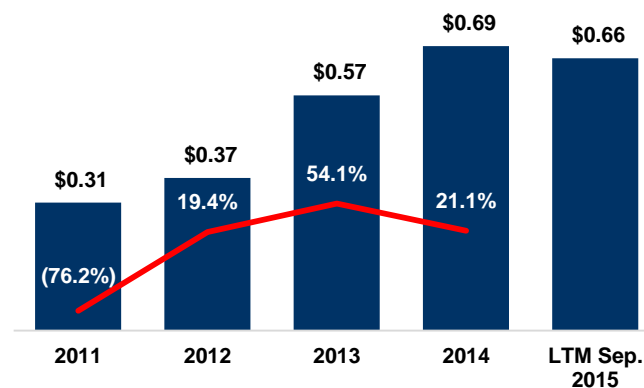
### Adjusted EBITDA / Margin

(\$ in mm)






























### Fully-Diluted EPS / Growth

(\$ in mm)



# Overview of FT Partners

## FT Partners is the Leader in Financial Technology Investment Banking

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as financial advisor to</p>  <p>In its minority investment from</p>  <p>TPG</p> <p>for total consideration of</p> <p><b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its Series E minority financing from</p>  <p>TPG KeyBank nyca</p> <p>for total consideration of</p> <p><b>\$ 225,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its Series D investment from</p>  <p>for total consideration of approximately</p> <p><b>\$ 100,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In the sale of its stake in</p>  <p>for total consideration of approximately</p> <p><b>\$ 305,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as advisor to</p>  <p>In its 100% acquisition of</p>  <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as advisor to</p>  <p>In its Series E minority financing led by</p>  <p>Scotiabank</p> <p>for total consideration of</p> <p><b>\$ 135,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p>  <p>In its cash sale to</p>  <p>for total consideration of approximately</p> <p><b>\$1,650,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its sale to</p>  <p>for cash and stock consideration of approximately</p> <p><b>\$ 700,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its sale to</p>  <p>A Division of Standard &amp; Poor's</p> <p>for total consideration of approximately</p> <p><b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its 80% majority sale to</p>  <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its sale to</p>  <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its sale to</p>  <p>for a total consideration of</p> <p><b>\$310,000,000+</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its sale to</p>  <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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 &amp; IPO Advisor to</p>  <p>In its</p> <p><b>\$69,000,000</b></p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p><b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its recapitalization by</p>  <p>NEW MOUNTAIN CAPITAL LLC</p> <p>valued at approximately</p> <p><b>\$ 1,300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as advisor to</p>  <p>In its lead investment in</p>  <p>with additional participation from</p>  <p>for approximately</p> <p><b>\$ 85,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its sale to</p>  <p>for total consideration of approximately</p> <p><b>\$ 225,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its cash sale to</p>  <p>for total consideration of approximately</p> <p><b>\$ 369,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its minority investment led by</p>  <p>for total consideration of approximately</p> <p><b>\$ 50,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its</p> <p><b>\$138,000,000</b></p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p><b>\$ 1,200,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank 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>In its sale to</p>  <p>for cash consideration of approximately</p> <p><b>\$ 525,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>

FINANCIAL  
TECHNOLOGY  
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# 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<sup>(1)</sup>
- 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*



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

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

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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
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	<b>20</b>
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York, London and Los Angeles beginning in 1995</li> <li>Wharton M.B.A.</li> </ul>	<b>20</b>
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee</li> <li>Recent coverage included WEX, WU, EEFT, DST, ENV, FISV, FIS, V, MA, GPN &amp; HPY among others</li> </ul>	<b>19</b>
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	<b>13</b>
<b>Andrew McLaughlin</b> <i>Managing Director, Research &amp; Business Development</i>		<ul style="list-style-type: none"> <li>Leads FT Partners' Research and Business Development Team</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>9</b>