

August 16, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



acquires

c•funds

for

£140 million (~\$182 million)

Courtesy of:



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

www.ftpartners.com



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Aegon Acquires Cofunds for ~\$182 Million

Transaction Summary

Transaction Summary

- On August 12, 2016, Aegon announced that it has entered into an agreement to acquire Cofunds for £140 million (~\$181.5 million)
 - Cofunds was previously owned by global financial services company, Legal & General
- The transaction is expected to generate annualized cost synergies of £60 million, with a one-time expense of £80 million
- The deal is expected to close by the end of 2016, with the integration of Cofunds to be completed by 2018



Cofunds is an investment platform, providing a way for people to invest through financial advisors or institutions

- Cofunds streamlines the investment process, allowing advisors to spend more time servicing existing clients or acquiring new clients rather than doing administrative tasks



Aegon is a leading provider of life insurance, pensions and asset management

- The Company has operations in over 20 countries in Europe, Asia and the Americas

Transaction Quantitative Rationale

- Annual post-integration capital generation of around **£70 mm (\$90.4 mm)**
- Cost saving synergies will yield a capital benefit of about **£150 mm (\$193.8 mm)**
 - Net cost for acquisition and restructuring will amount to approximately **£50 mm (\$64.6 mm)**
- Payback period of 3 years
- Aegon UK's solvency ratio will remain within the target range
- In 2017, Aegon UK is expected to resume dividend payments to the group

Transaction Qualitative Rationale

The transaction will help reposition Aegon's UK operations and complete its strategic transformation from a life insurance company to a platform business

- ✓ Acquisition will reinforce Aegon's position as the leading provider in the retail platform market
- ✓ Transaction will generate significant cost savings as well as revenue synergies from cross-selling
- ✓ Benefits for the clients include a broader investment range and integration of pensions on the platform, while maintaining pricing of existing products

Aegon Acquires Cofunds for ~\$182 Million

Transaction Commentary

"I am delighted that we are able to announce the acquisition of Cofunds. This transaction builds on the successful repositioning of our business in the UK and the strong relationship we have built with Legal & General. By executing on our strategy, we have transformed our business into a cost efficient, scalable platform business. The acquisition of Cofunds is a unique opportunity to further accelerate the execution of our UK strategy. It enables us to create substantial value as the number one provider in the fast-growing UK platform market. I am proud that the number of customers we are helping in the United Kingdom to achieve a lifetime of financial security now exceeds three million."



Alex Wynaendts
CEO, Chairman



Strategic Transformation of Aegon



Insurance Company
(Prior to 2016)



Transformational
Mergers &
Acquisitions
(2016)



Platform Business
(2017 and on)

Aegon Acquires Cofunds for ~\$182 Million

Cofunds Overview



Company Overview

CEO:	David Hobbs
Headquarters:	London, UK
Founded:	2000

- Cofunds provides an investment platform, that makes it easy for people to invest through financial advisors and institutions such as stockbrokers and banks
- Products and fund options include bond, pension, collective and cash services
 - Cofunds also provides consolidation, investor administrations and online investor and intermediary integration services
- The Company is focused on streamlining the investment process to allow advisors to be able to focus on servicing or acquiring clients instead of administrative tasks
- Manages over £76.9bn of investments on behalf of around 800,000 individuals ⁽¹⁾

Provided Products



Pensions



Bonds



Trusts

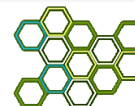


Collectives



Cash

Provided Services



Consolidation



Investor Admin



Integration



Online Investor Portal



Online Adviser Portal

Institutional Features

- Straight-through processing
- Intraday pricing
- Contractual net settlement
- Group 1 and 2 reporting

Source: Company website.

(1) As of 12/31/2015.

Aegon Acquires Cofunds for ~\$182 Million

Aegon Overview



Financial Metrics

Ticker: ENXTAM:AGN

Market Cap: €7.4 bn ⁽²⁾

LTM Revenue: €38.0 bn

LTM EBITDA: €1.2 bn

LTM Adj. Net Income: (€1.4) bn

LTM as of June 30, 2016

Company Overview

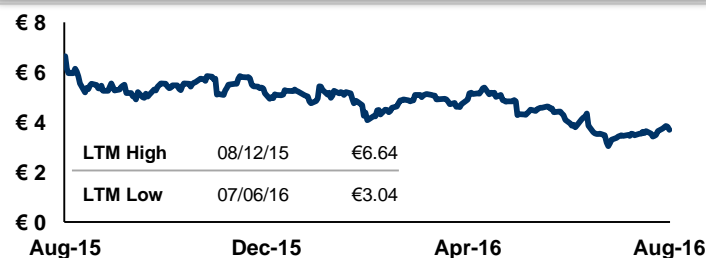
CEO: Alexander Wynaendts

Headquarters: Amsterdam, Netherlands

Founded: 1983

- Aegon is a leading provider of life insurance, pensions and asset management
- The Company's product offerings are split into 5 categories: life insurance, individual savings & retirement, pensions, asset management and other
- Aegon manages about €117 bn in investments ⁽¹⁾
- The Company has operations in over 20 countries throughout Europe, Asia and the Americas
 - With over 29,000 employees, Aegon serves a diversified base of approximately 30 million clients

Stock Performance



Umbrella Brands

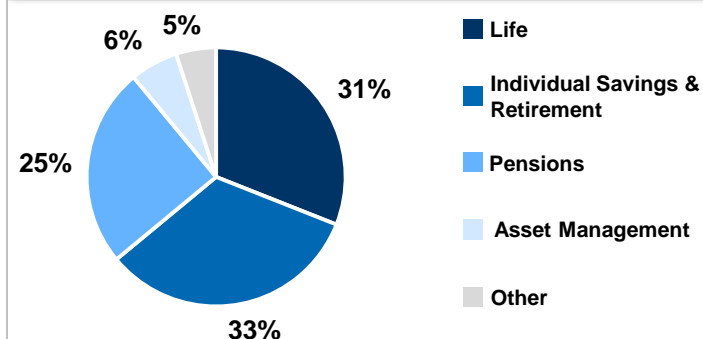


Financial Targets

Aegon aims to achieve a ROE of 10% by 2018 by...

- ✓ Reducing annual operating expenses by €200 million
- ✓ Further investments in digital capabilities and expertise
- ✓ Aligning accounting policies with management

2014 Earnings by Product Category



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

alphasense

in its financing from

SOROS
Series Fund Management

Triangle Peak **TVP**
TRIESTECA VENTURE PARTNERS

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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 Trade Execution

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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TECHNOLOGY
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 **TradingScreen**
SIMPLIFYING GLOBAL MARKETS®

In its minority recapitalization for

\$ 110,000,000

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Focused Exclusively on Financial Technology

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**

 **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

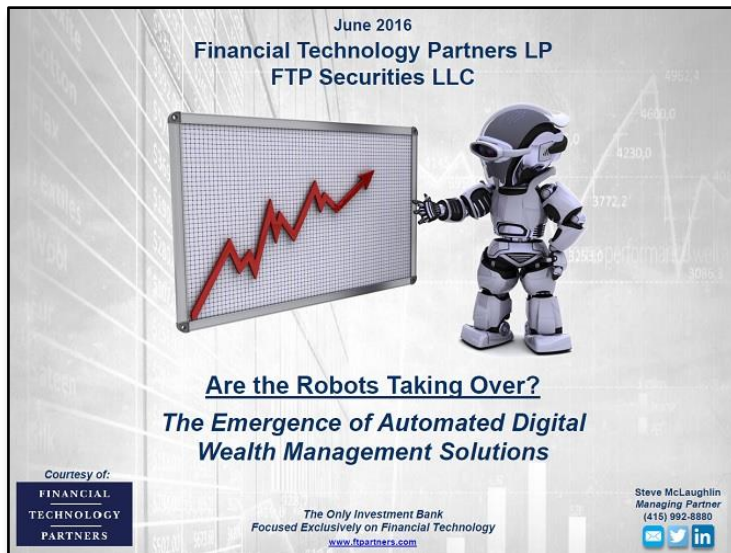
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Overview of FT Partners

Selected FT Partners Research – Digital Wealth Management (*click to view*)

Are the Robots Taking Over? The Emergence of Automated Digital Wealth Management Solutions



FT Partners' 140-page report provides a comprehensive overview of key industry trends driving innovation in the wealth management space and how the industry is reacting to the emergence of Robo Advisors and other Digital Wealth Management disruptors.

Additional highlights of the report include:

- A discussion of the different Automated Digital Wealth Management platforms and business models
- The responses of incumbents in the wealth management space, including the innovations, partnerships and acquisitions being made to stay ahead of the game
- Interviews with eight CEOs of leading Digital Wealth pioneers including Betterment, Link Pacific Advisors, MyVest, NextCapital, Nutmeg, Riskalyze, SigFig and Vanare
- A detailed industry landscape of Digital Wealth Management providers as well as other innovative, tangential companies, profiles of 28 companies and a comprehensive list of private equity financing and M&A transactions in the space

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

Selected FT Partners Research (click to view)



Research Report: Innovations in Capital Markets Technology



PENSICO Trust Company's Sale to Opus Bank



BlackRock's acquisition of FutureAdvisor



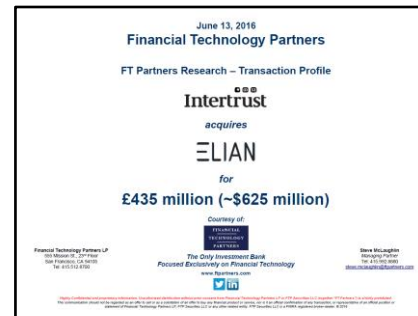
AlphaSense's \$33 mm growth financing



E*Trade Acquires OptionsHouse for \$725 million in Cash



The Carlyle Group Acquires Minority Stake in ION Investment for \$400 mm



Intertrust Acquires Elian



TIAA Acquires MyVest

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

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



Institutional Investor Annual Ranking

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









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>

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

Overview of FT Partners

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 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 DST, ENV, FISV, FIS, WU, EEFT, V, MA, GPN & HPY among others 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with J.P. Morgan and UBS Formerly Global Head of Strategy at First Data 	18
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners beginning in 2002 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