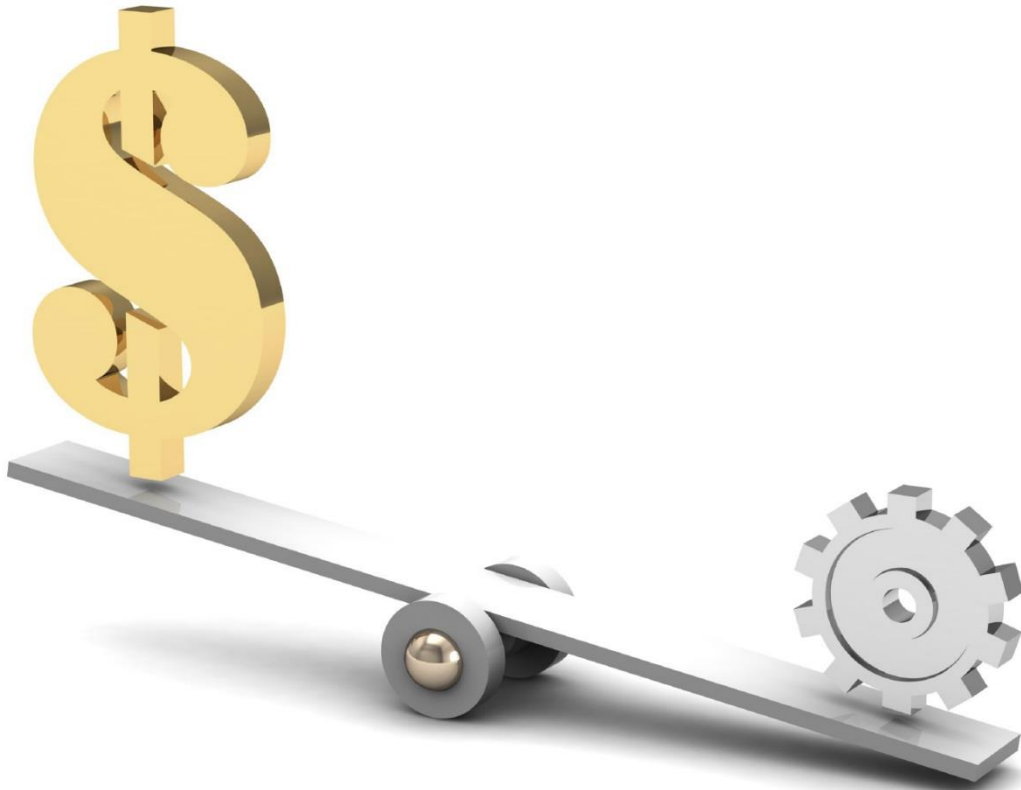




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*Value. Added.*



Industry Observations – September 30, 2019

## Asset Management Industry

## Select Asset Management Public Company Industry Data As of September 30, 2019

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 09/30/19	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Assets Under Management	LTM Revenue	LTM Earnings	CY 2019 Revenue Estimate	CY 2019 Earnings Estimate
<b>Traditional Asset Management</b>											
Apollo Global Management, Inc.	APO	\$37.82	90.5%	\$8,411.29	\$0.00	56.6%	\$311,862.00	\$1,644.38	\$298.16	\$1,604.79	\$525.14
Artisan Partners Asset Management Inc.	APAM	\$28.24	86.9%	\$1,585.36	\$1,645.61	67.7%	\$113,843.00	\$792.02	\$145.76	\$792.63	\$147.23
Eaton Vance Corp.	EV	\$44.93	84.9%	\$4,878.96	\$4,976.03	29.6%	\$482,780.00	\$1,690.13	\$396.32	\$1,729.93	\$381.38
Federated Investors, Inc.	FII	\$32.41	90.1%	\$3,151.43	\$3,277.73	18.4%	\$502,247.00	\$1,244.36	\$238.41	\$1,304.93	\$241.43
GAMCO Investors, Inc.	GBL	\$19.55	81.1%	\$528.26	\$393.79	57.0%	\$36,924.00	\$317.51	\$102.26	\$0.00	\$0.00
Janus Henderson Group plc	JHG	\$22.46	83.1%	\$4,151.94	\$3,521.38	8.8%	\$359,800.00	\$2,181.50	\$421.50	\$2,097.42	\$446.90
Legg Mason, Inc.	LM	\$38.19	94.8%	\$3,312.89	\$5,496.04	37.3%	\$780,200.00	\$2,860.71	-\$49.25	\$2,844.20	\$241.32
Waddell & Reed Financial, Inc.	WDR	\$17.18	80.2%	\$1,255.43	\$399.44	12.4%	\$71,876.00	\$1,096.91	\$158.78	\$1,060.52	\$118.90
<b>Alternative Asset Management</b>											
Ares Management Corporation	ARES	\$26.81	86.4%	\$3,072.61	\$11,737.27	83.14%	\$142,108.00	\$1,350.23	\$104.94	\$1,220.59	\$167.50
Cohen & Steers, Inc.	CNS	\$54.93	99.0%	\$2,594.96	\$2,897.54	14.23%	\$0.00	\$394.89	\$123.45	\$409.76	\$121.50
Ellington Financial Inc.	EFC	\$18.07	97.7%	\$610.24	\$0.00	80.23%	\$0.00	\$81.17	\$32.50	\$157.59	\$60.79
Virtus Investment Partners, Inc.	VRTS	\$110.57	87.4%	\$767.90	\$951.23	31.50%	\$105,006.50	\$561.48	\$77.83	\$565.97	\$96.17
<b>Private Equity/ Venture Capital</b>											
BlackRock Capital Investment Corporation	BKCC	\$5.01	75.5%	\$344.87	\$559.80	35.0%	\$0.00	\$80.70	-\$5.04	\$81.72	\$42.24
Capital Southwest Corporation	CSWC	\$21.80	90.2%	\$385.80	\$605.58	40.8%	\$0.00	\$56.57	\$28.12	\$61.49	\$29.67
Hercules Capital, Inc.	HTGC	\$13.37	94.4%	\$1,394.66	\$2,568.31	51.6%	\$0.00	\$237.55	\$128.21	\$265.96	\$140.61
Main Street Capital Corporation	MAIN	\$43.21	97.4%	\$2,728.08	\$3,632.74	40.6%	\$0.00	\$240.20	\$157.90	\$246.93	\$159.73
Prospect Capital Corporation	PSEC	\$6.59	89.2%	\$2,420.42	\$4,676.02	41.9%	\$0.00	\$703.77	\$144.49	\$662.28	\$286.48
The Carlyle Group L.P.	CG	\$25.56	94.6%	\$2,828.98	\$11,160.95	63.7%	\$222,658.00	\$2,978.90	\$304.40	\$2,072.29	\$182.85

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt); EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

The material contained in this publication is meant to provide general information regarding valuation topics. This publication does not constitute investment advice with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Professional advice should be obtained before taking any action based on the information contained herein.

Publicly available information utilized in this publication has been obtained from sources deemed to be reliable. Houlihan does not guarantee the accuracy or completeness of the information provided within this publication. The material presented reflects information known to the authors at the time this publication was written and this information is subject to change.

## Select Asset Management Public Company Valuation Metrics As of September 30, 2019

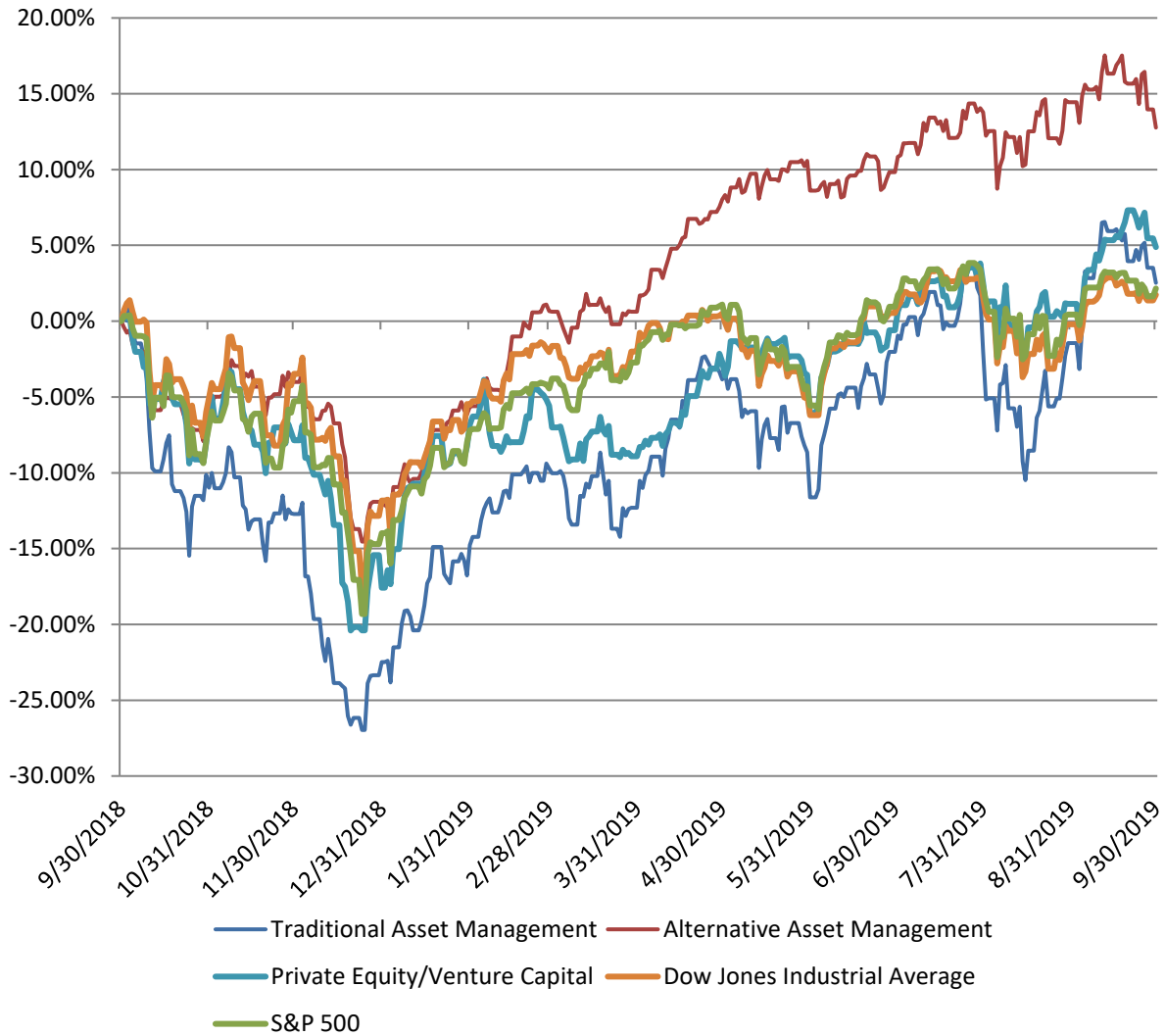
(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics						Trading Multiples		
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	Net Income Growth	Net Income Margin	TEV/ LTM Revenue	TEV/ CY 2018 Revenue	Price/ LTM Earnings
<b>Traditional Asset Management</b>										
Apollo Global Management, Inc.	APO	9.2%	24.0%	0.0%	-27.7%	-25.0%	18.1%	0.0x	0.0x	63.3x
Artisan Partners Asset Management Inc.	APAM	18.4%	126.3%	40.2%	-5.7%	68.6%	18.4%	2.1x	2.1x	15.7x
Eaton Vance Corp.	EV	9.1%	29.0%	16.1%	1.4%	10.5%	23.4%	2.9x	2.9x	19.5x
Federated Investors, Inc.	FII	13.7%	25.0%	17.2%	15.6%	-17.0%	19.2%	2.6x	2.5x	15.9x
GAMCO Investors, Inc.	GBL	68.6%	N/A	351.2%	-12.2%	15.0%	32.2%	1.2x	N/A	5.8x
Janus Henderson Group plc	JHG	5.1%	8.3%	6.4%	-7.9%	-51.9%	19.3%	1.6x	1.7x	11.8x
Legg Mason, Inc.	LM	3.8%	-0.2%	4.3%	-7.6%	N/A	-1.7%	1.9x	1.9x	15.8x
Waddell & Reed Financial, Inc.	WDR	8.8%	18.0%	11.3%	-6.8%	-8.8%	14.5%	0.4x	0.4x	10.0x
	Mean	17.1%	32.9%	55.8%	-6.4%	-1.2%	17.9%	1.6x	1.6x	19.7x
	Median	9.1%	24.0%	13.7%	-7.2%	-8.8%	18.8%	1.8x	1.9x	15.8x
<b>Alternative Asset Management</b>										
Ares Management Corporatio	ARES	1.2%	16.6%	1.4%	19.1%	8.6%	7.8%	8.7x	9.6x	73.4x
Cohen & Steers, Inc.	CNS	0.0%	0.0%	24.6%	2.3%	13.5%	31.3%	N/A	N/A	28.8x
Ellington Financial Inc.	EFC	1.1%	6.1%	0.0%	13.3%	-41.8%	40.0%	8.7x	9.6x	14.6x
Virtus Investment Partners, Inc.	VRTS	2.5%	11.6%	7.4%	9.3%	10.1%	13.9%	1.7x	1.7x	12.1x
	Mean	1.2%	8.6%	8.4%	11.0%	-2.4%	23.2%	6.4x	7.0x	32.2x
	Median	1.1%	8.8%	4.4%	11.3%	9.4%	22.6%	8.7x	9.6x	21.7x
<b>Private Equity/Venture Capital</b>										
BlackRock Capital Investment Corporation	BKCC	4.9%	-1.0%	5.1%	-9.6%	N/A	-6.2%	6.9x	6.9x	11.9x
Capital Southwest Corporation	CSWC	5.1%	8.8%	5.2%	46.9%	-38.2%	49.7%	10.7x	9.8x	21.7x
Hercules Capital, Inc.	HTGC	5.4%	12.4%	5.5%	22.2%	17.1%	54.0%	10.8x	9.7x	16.7x
Main Street Capital Corporation	MAIN	5.1%	10.6%	5.2%	7.5%	-15.2%	65.7%	15.1x	14.7x	26.8x
Prospect Capital Corporation	PSEC	5.0%	4.3%	5.2%	7.0%	-51.8%	20.5%	6.6x	7.1x	12.3x
The Carlyle Group L.P.	CG	5.7%	28.0%	7.8%	-8.2%	43.2%	10.2%	3.7x	5.4x	NM
	Mean	5.2%	10.5%	5.7%	11.0%	-9.0%	32.3%	9.0x	8.9x	17.9x
	Median	5.1%	9.7%	5.2%	7.3%	-15.2%	35.1%	8.8x	8.4x	16.7x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

### Asset Management Public Company LTM Equity Performance As of September 30, 2019



Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

## Recent M&A Activity in Asset Management Industry September 30, 2018 to September 30, 2019

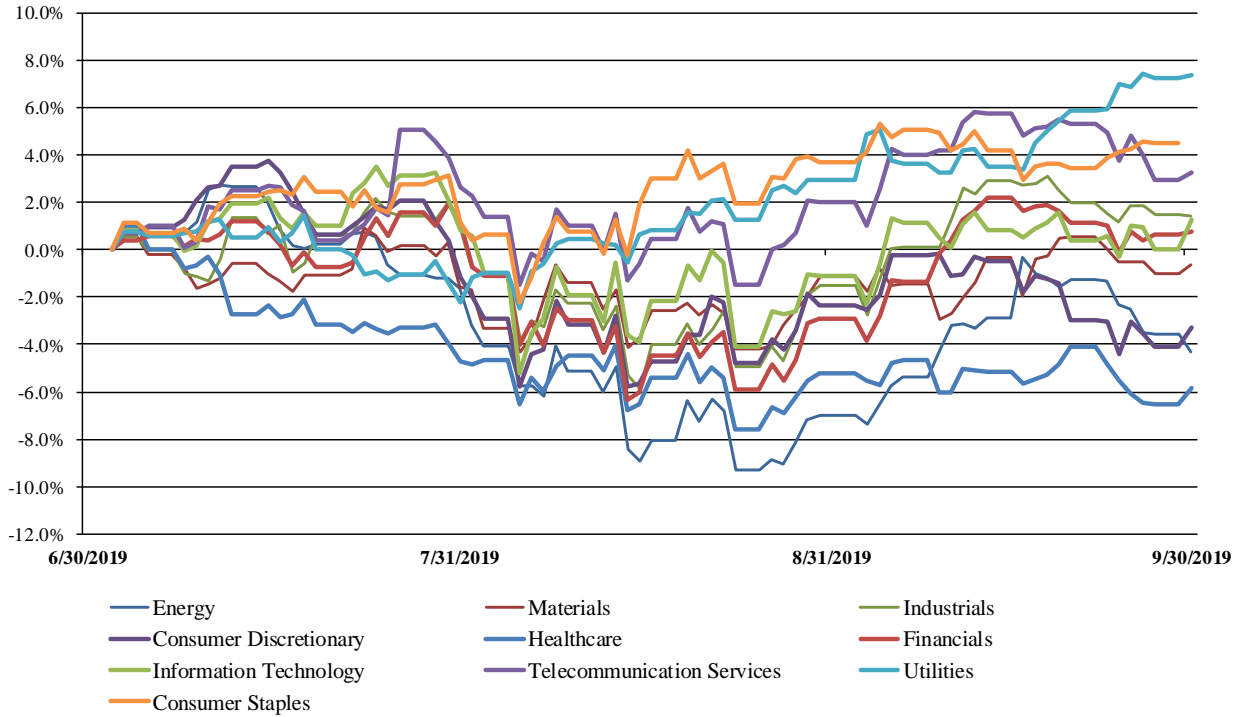
(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Equity Value
5/24/2019	OppenheimerFunds, Inc.	Invesco Ltd.	Asset Management and Custody Banks	\$5,714.13
7/1/2019	USAA Asset Management Company and USAA Transfer Agency	Victory Capital Holdings, Inc.	Asset Management and Custody Banks	\$850.00
7/18/2019	United Capital Financial Partners, Inc.	The Goldman Sachs Group, Inc.	Asset Management and Custody Banks	\$750.00
2/1/2019	Benefit Street Partners L.L.C.	Franklin Resources, Inc.	Asset Management and Custody Banks	\$553.00
11/30/2018	Rialto Capital Management LLC	Stone Point Capital LLC; Trident VII, L.P.	Asset Management and Custody Banks	\$340.00
5/6/2019	1st Global, Inc./1st Global Insurance Services, Inc.	Blucora, Inc.	Asset Management and Custody Banks	\$180.00
11/5/2018	Easterly Acquisition Corp. (nka:Sirius Acquisitions Holding	Sirius International Insurance Group, Ltd.	Asset Management and Custody Banks	\$164.51
11/30/2018	Loring Ward Holdings Inc.	BAM Advisor Services, LLC	Asset Management and Custody Banks	\$148.90
12/19/2018	Apollo Aviation Group, LLC (nka:Carlyle Aviation Partners Ltd)	The Carlyle Group L.P.	Asset Management and Custody Banks	\$75.00
8/27/2019	Altavair L.P.	KKR & Co. Inc.	Asset Management and Custody Banks	\$60.00
7/1/2019	Substantially All Of The Assets Of Cortina Asset Management,	Silvercrest Asset Management Group LLC	Asset Management and Custody Banks	\$42.53
12/31/2018	Katonah Debt Advisors, L.L.C./Trimaran Advisors,	LibreMax Capital, LLC	Asset Management and Custody Banks	\$37.90
4/17/2019	Global Financial Private Capital, LLC	AssetMark, Inc.	Asset Management and Custody Banks	\$35.90
12/3/2018	Bingham, Osborn & Scarborough, LLC	Kudu Investment Management LLC	Asset Management and Custody Banks	\$33.87
9/19/2019	Alpha UK Property Fund Asset Company (No 2) Limited	Alpha Real Trust Limited; Alpha Real Capital LLP	Asset Management and Custody Banks	\$19.92
6/28/2019	Summit Financial Resources, Inc.	North Mill Capital LLC	Asset Management and Custody Banks	\$15.50
2/14/2019	Carret Asset Management, LLC	Morningstar Japan K.K.	Asset Management and Custody Banks	\$14.93
10/4/2018	Certain Assets of LIHTC Property of Morrison Grove	MMA Capital Management, LLC (nka:MMA	Asset Management and Custody Banks	\$4.50
5/31/2019	Trend Discovery Capital Management, LLC	Ecoark Holdings, Inc.	Asset Management and Custody Banks	\$3.14
3/19/2019	JMP Credit Advisors LLC	Medalist Partners LP	Asset Management and Custody Banks	\$0.55
11/30/2018	Punto Group, Corp. (nka:One World Pharma, Inc.)	OWP Ventures, Inc. (nka:One World Pharma, Inc.)	Asset Management and Custody Banks	\$0.53
8/14/2019	Palcapital Ventures Inc.	Element ASA	Asset Management and Custody Banks	\$0.43
4/25/2019	California Trust & Wealth Management business of American	Exchange Bank (Santa Rosa, CA)	Asset Management and Custody Banks	\$0.38
2/20/2019	Quick Start Holdings, Inc. (nka:Kaival Brands Innovations Group,	Kaival Brands Innovations Group, LLC	Asset Management and Custody Banks	\$0.37
9/27/2019	The Remaining Advisory Research Business	N/A	Asset Management and Custody Banks	NA
9/23/2019	Inter-Mountain Retirement Partners, Inc.	Hub International Investment Services Inc.	Asset Management and Custody Banks	NA
9/20/2019	All assets of Perennial Pension & Wealth, Inc.	HUB International Limited	Asset Management and Custody Banks	NA
9/19/2019	WhartonHill Advisors	HUB International Northeast Limited	Asset Management and Custody Banks	NA
9/19/2019	Talamod Asset Management, LLC	HPS Investment Partners, LLC	Asset Management and Custody Banks	NA
9/18/2019	EPIC Retirement Services Consulting, LLC	HUB International Northeast Limited	Asset Management and Custody Banks	NA
9/16/2019	Assets of Wash Financial, L.L.C.	HUB International Limited	Asset Management and Custody Banks	NA
9/11/2019	Modern Media Acquisition Corp.	Akazoo S.A.	Asset Management and Custody Banks	NA
9/9/2019	Electronic Transaction Clearing, Inc.	Apex Clearing Solutions, LLC	Asset Management and Custody Banks	NA
9/5/2019	Sage Future Financial, LLC	Mercer Global Advisors Inc.	Asset Management and Custody Banks	NA
9/4/2019	Belvedere Advisors, LLC	Northern Trust Investments, Incorporated	Asset Management and Custody Banks	NA
8/29/2019	Constellation Alpha Capital Corp.	DemiTech, Inc.	Asset Management and Custody Banks	NA
8/27/2019	Believeland, LLC	Bluespring Wealth Partners, LLC	Asset Management and Custody Banks	NA
8/22/2019	Grove Advisors LLC	Wealthfront Inc.	Asset Management and Custody Banks	NA
8/20/2019	Mackie Financial Group, LLC	The Hilb Group, LLC	Asset Management and Custody Banks	NA
8/19/2019	Personal Financial Consultants, Inc.	EP Wealth Advisors, Inc.	Asset Management and Custody Banks	NA
8/16/2019	Wealth Management Department of Sonabank	Virginia Asset Group	Asset Management and Custody Banks	NA
8/9/2019	Black Ridge Acquisition Corp.	Allied Esports Entertainment Inc.	Asset Management and Custody Banks	NA
8/6/2019	Wealth Enhancement Group, LLC	TA Associates Management, L.P.	Asset Management and Custody Banks	NA
8/1/2019	Highland Associates, Inc.	Regions Bank	Asset Management and Custody Banks	NA
8/1/2019	Allen & Company of Florida, Inc.	LPL Financial Holdings Inc.	Asset Management and Custody Banks	NA
8/1/2019	Williams, Jones & Associates, LLC	Focus Financial Partners Inc.	Asset Management and Custody Banks	NA
7/31/2019	Capital Health Group, LLC	White Oak Healthcare REIT	Asset Management and Custody Banks	NA
7/31/2019	United Income, Inc.	Capital One Financial Corporation	Asset Management and Custody Banks	NA
7/31/2019	Capitol Investment Corp. IV	NESCO Holdings I, Inc. (nka:Nesco Holdings,	Asset Management and Custody Banks	NA
7/25/2019	Planning Solutions Group LLC	Wealth Enhancement Group, LLC	Asset Management and Custody Banks	NA
7/18/2019	Brookstone Capital Management, LLC	AmenLife Group, LLC	Asset Management and Custody Banks	NA
7/16/2019	Emerald Asset Advisors, LLC	SlateStone Private Client, LLC	Asset Management and Custody Banks	NA
7/15/2019	Roseview Group, LLC	Madison Marquette Inc.	Asset Management and Custody Banks	NA
7/8/2019	Pathlight Investors, LLC	EP Wealth Advisors, Inc.	Asset Management and Custody Banks	NA
7/5/2019	Mount Santubong Ltd	Perdana Jupiter Ltd.	Asset Management and Custody Banks	NA

Source: Capital IQ

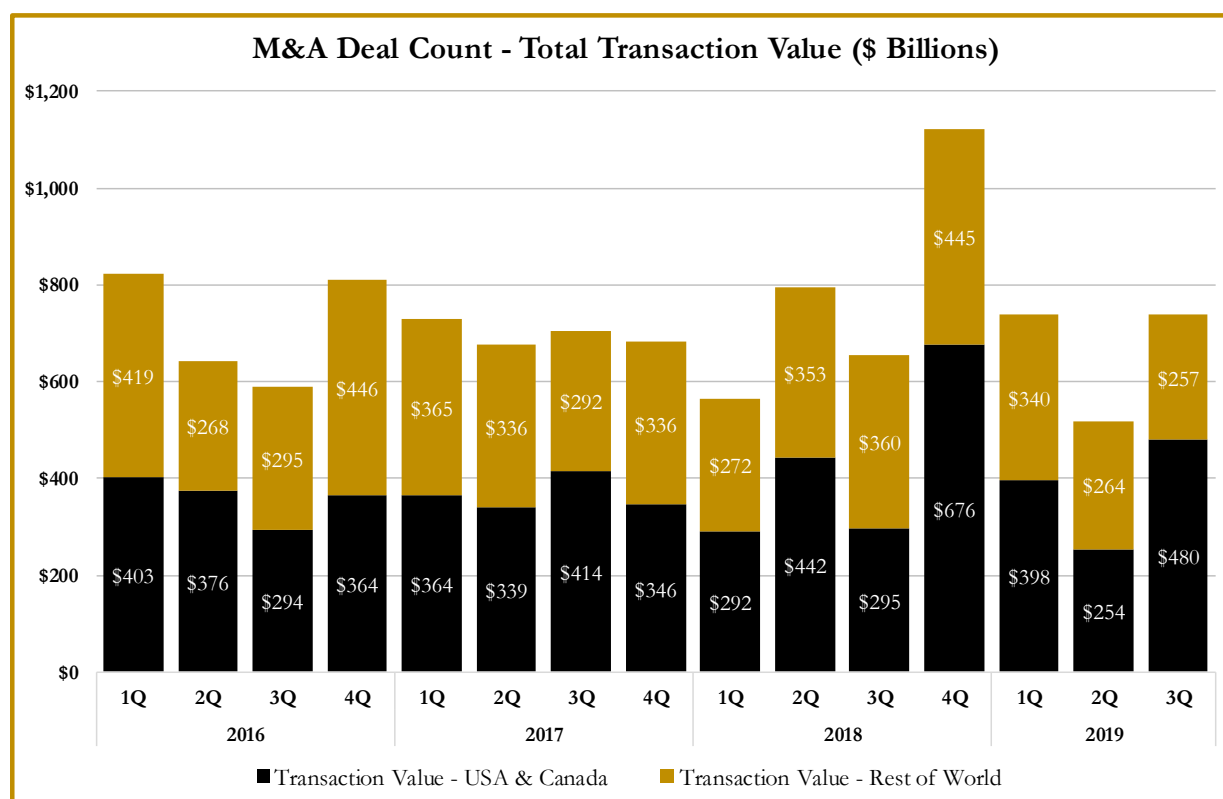
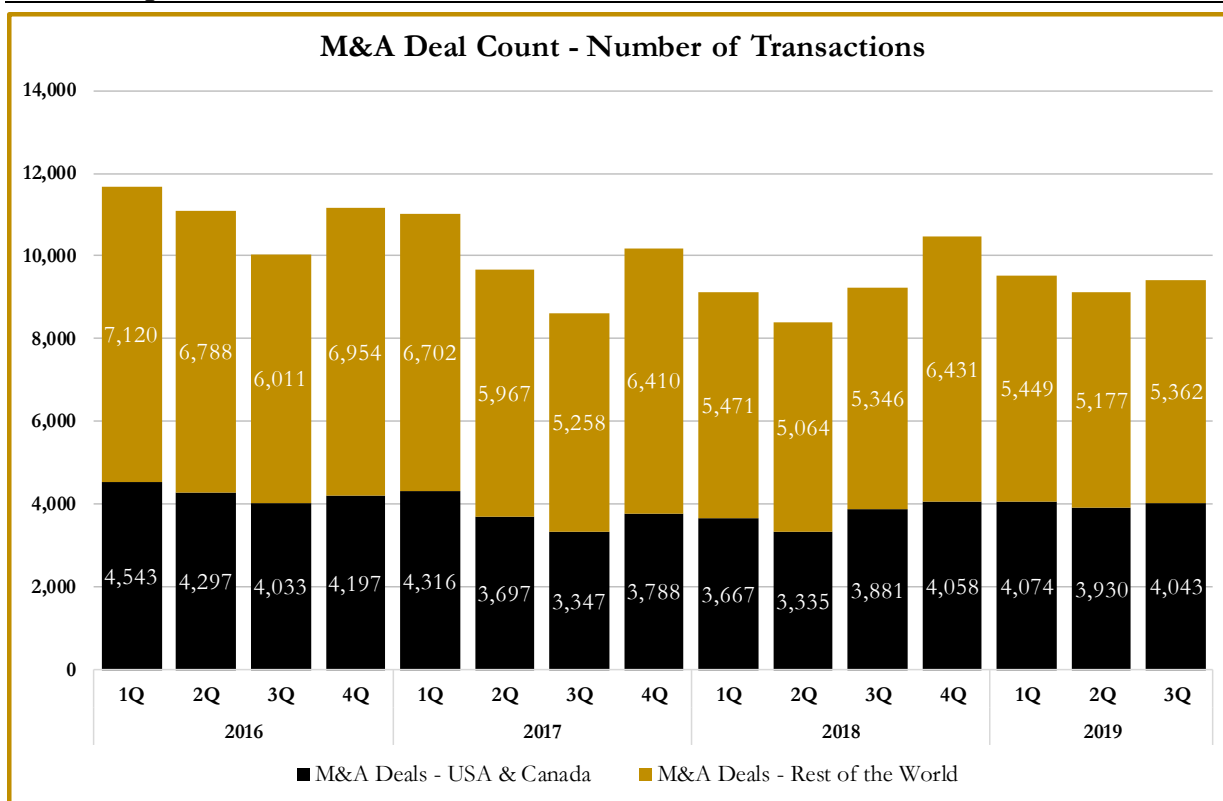
S&P Capital IQ - Sector Last 3 Month Equity Performance  
As of September 30, 2019

**Change in Market Cap by S&P Capital IQ Sector**

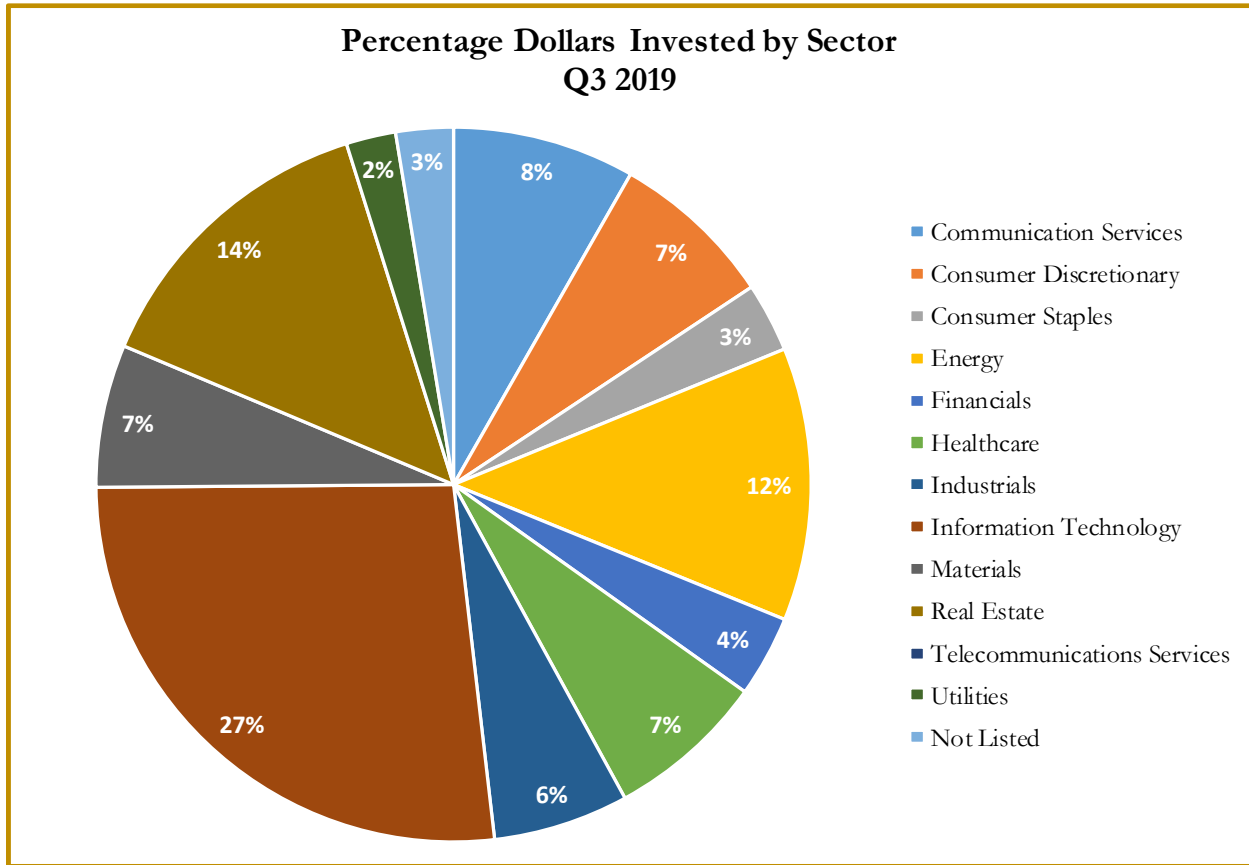


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

### M&A Deal Flow Statistics by S&P Capital IQ Sector As of September 30, 2019



M&A Deal Flow Statistics by S&P Capital IQ Sector  
As of September 30, 2019







## About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

### Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

### Investment Banking

Through our Investment Banking Group, we offer sell side/buy side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

### Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

**For additional information about our  
Industry expertise and services, visit:**

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