

# US Investment Banking & Brokerage Snapshot

*Q2 2016 Edition*



Freeman & Co. LLC

*Independent Financial Services Advice*

[www.freeman-co.com](http://www.freeman-co.com)



# Investment Banking & Brokerage Highlights

## Gagan Sawhney

Managing Director

gsawhney@freeman-co.com

(212) 830-8165

## Christopher Pedone

Director

cpedone@freeman-co.com

(212) 830-6166

## Matthew Capozzi

Associate

mcapozzi@freeman-co.com

(212) 830-6193

## Kenneth Parsons

Analyst

kparsons@freeman-co.com

(212) 830-6186

Largest sectors by middle market investment banking fees:

Q1 2016	Q2 2016
1. FIG & Real Estate	1. FIG & Real Estate
2. TMT	2. Healthcare
3. Healthcare	3. TMT

Smallest sectors by middle market investment banking fees:

Q1 2016	Q2 2016
1. Energy & Power	1. Energy & Power
2. Industrials	2. Industrials
3. Consumer & Retail	3. Consumer & Retail

Largest sectors by middle market with sponsor involvement investment banking fees:

Q1 2016	Q2 2016
1. FIG & Real Estate	1. FIG & Real Estate
2. Consumer & Retail	2. Industrials
3. TMT	3. Consumer/Retail

Top middle market banks in terms of middle market IB fees:

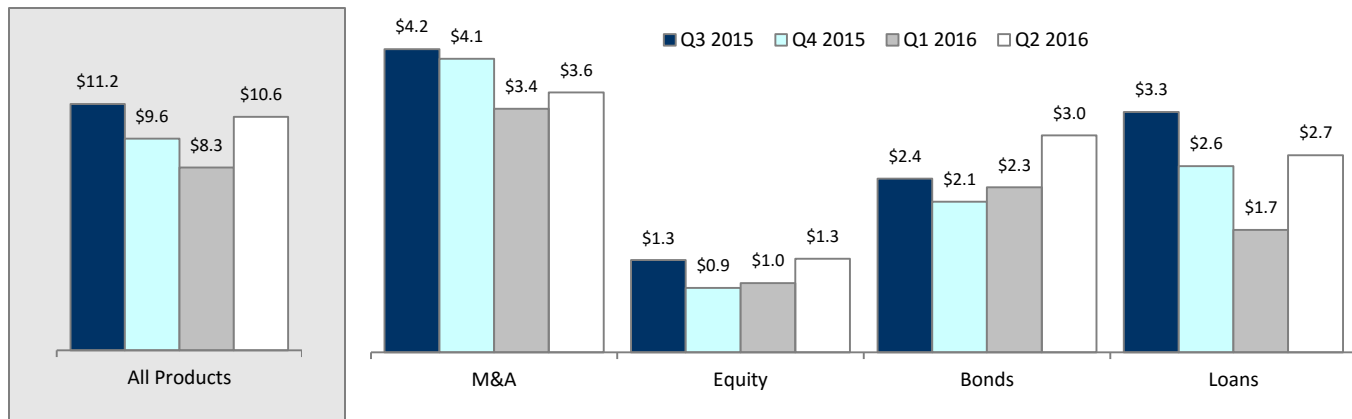
- **Overall:** Wells Fargo, Jefferies, Houlihan Lokey
- **M&A:** Houlihan Lokey, Jefferies, Evercore
- **ECM:** Jefferies, Cowen, Piper Jaffray
- **DCM:** Wells Fargo, SunTrust, BMO

Top market share gainers / decliners for middle market fees:

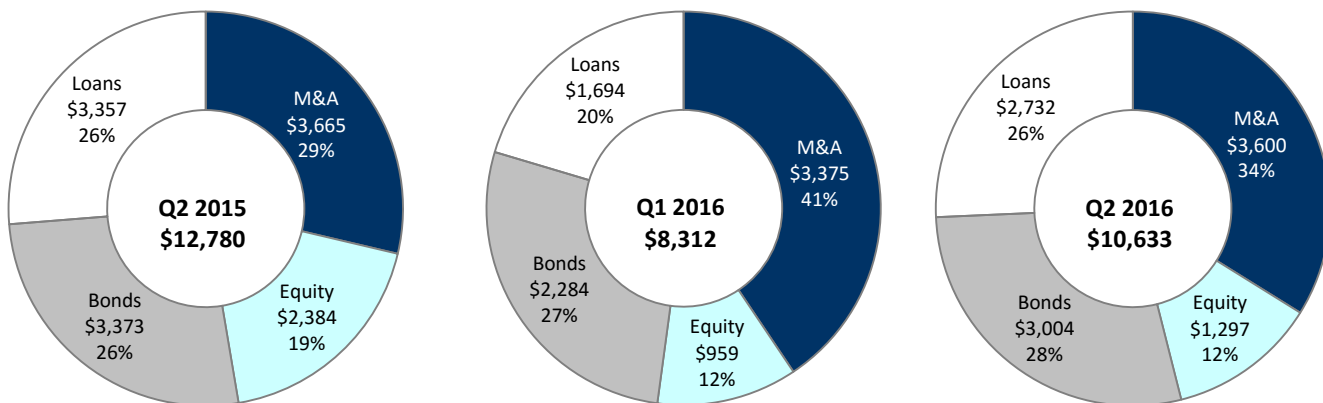
- **Overall:** ↑ Evercore / ↓ William Blair
- **M&A:** ↑ Evercore / ↓ Lazard
- **ECM:** ↑ SunTrust / ↓ William Blair

# Investment Banking Fees: All Deal Sizes

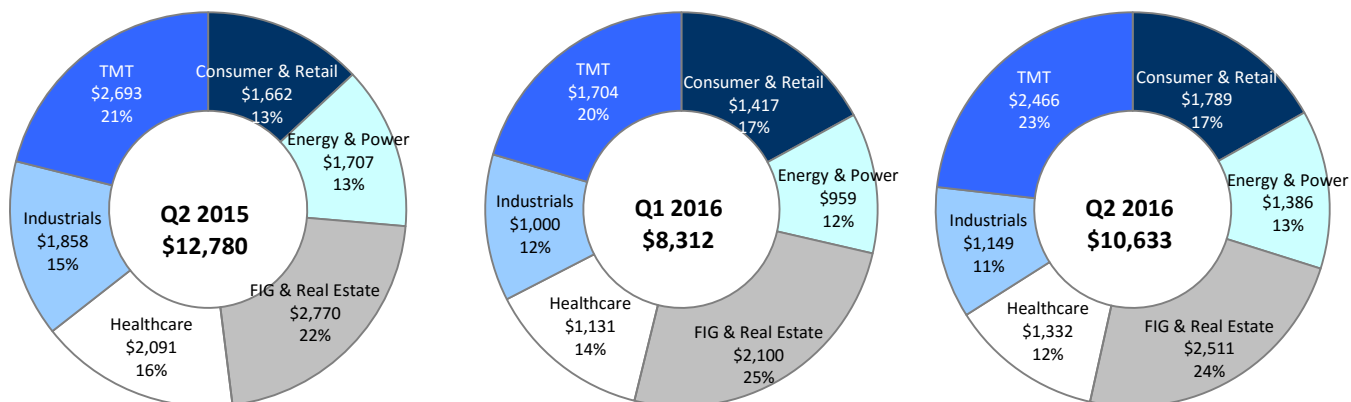
**Figure 1: Investment Banking Fees (\$bn)**



**Figure 2: Investment Banking Fees by Product (\$mm)**

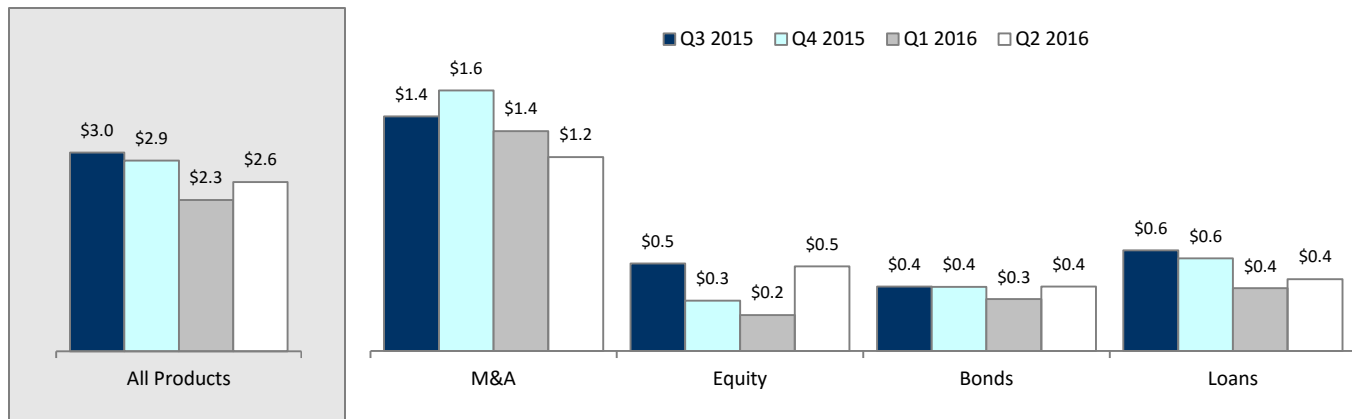


**Figure 3: Investment Banking Fees by Sector (\$mm)**

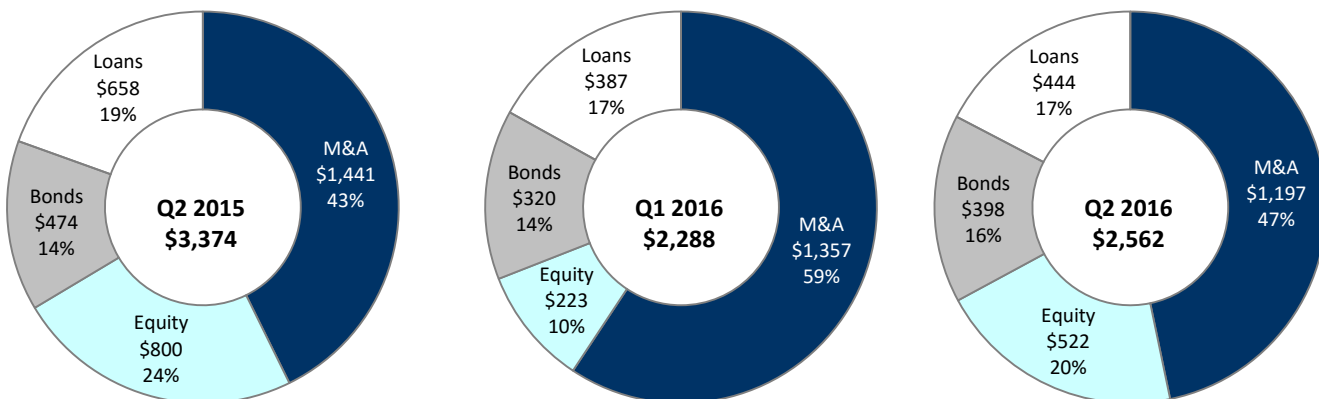


# Investment Banking Fees: Middle Market Deals Only

**Figure 4: Middle Market IB Fees (\$bn)**



**Figure 5: Middle Market IB Fees by Product (\$mm)**



**Figure 6: Middle Market IB Fee Ranking (LTM ending 6/30/2016)**

Rank	All Products Ranking	M&A Ranking	ECM Ranking	DCM & Loans Ranking
1	Wells Fargo & Co	Houlihan Lokey	Jefferies LLC	Wells Fargo & Co
2	Jefferies LLC	Jefferies LLC	Cowen & Co	SunTrust Banks
3	Houlihan Lokey	Evercore Partners	Piper Jaffray Cos	BMO Capital Markets
4	RBC Capital Markets	Moelis & Co	Stifel/KBW	RBC Capital Markets
5	Piper Jaffray Cos	Lazard	RBC Capital Markets	KeyBank Capital Markets Inc
6	Evercore Partners	Piper Jaffray Cos	Leerink Partners LLC	US Bancorp
7	Stifel/KBW	Robert W Baird & Co Inc	Wells Fargo & Co	Jefferies LLC
8	Moelis & Co	RBC Capital Markets	Raymond James Financial Inc	Mitsubishi UFJ Financial Group
9	Raymond James Financial Inc	William Blair & Co	William Blair & Co	PNC Financial Services Group
10	BMO Capital Markets	PNC Financial Services Group	BMO Capital Markets	Madison Capital Funding LLC
11	PNC Financial Services Group	Raymond James Financial Inc	Robert W Baird & Co Inc	Fifth Third Bancorp
12	Robert W Baird & Co Inc	Stifel/KBW	Sandler O'Neill Partners	Stifel/KBW
13	William Blair & Co	PJT Partners LP	SunTrust Banks	First Horizon National Corp
14	SunTrust Banks	Sandler O'Neill Partners	Roth Capital Partners Inc	Societe Generale
15	Lazard	Wells Fargo & Co	JMP Securities LLC	Regions Financial Corp

Source: Freeman Consulting Services / Thomson Reuters

Note: Middle market: deals with values under \$500mm for M&A and \$250mm for ECM, DCM & Loans

Note: Middle market advisors / underwriters represent all investment banks other than 10 of the largest bulge bracket firms (see page 13 for further detail)

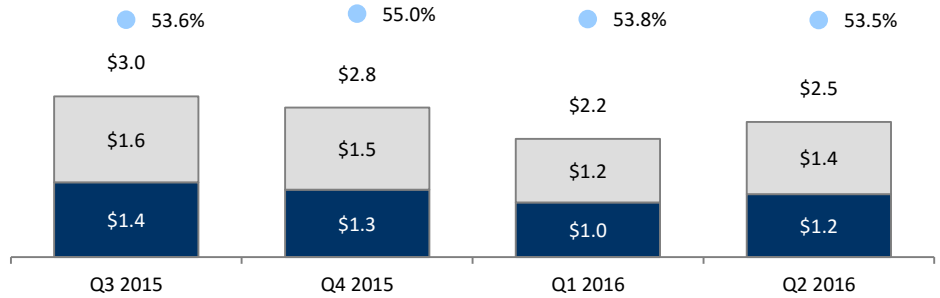
# Middle Market Investment Banking

\$ in billions

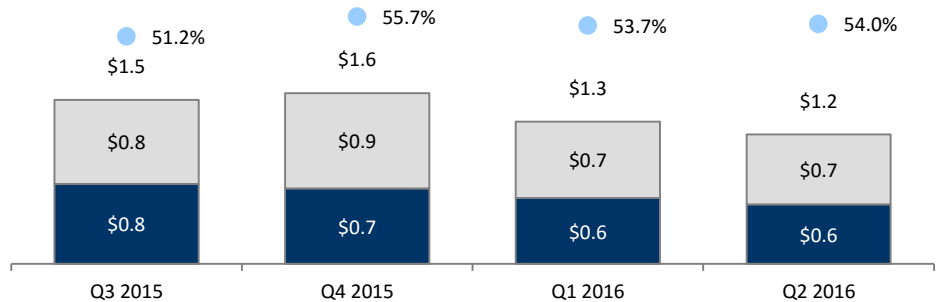
Legend:

- Bulge Bracket Fees
- Middle Market Fees
- MM Market Share

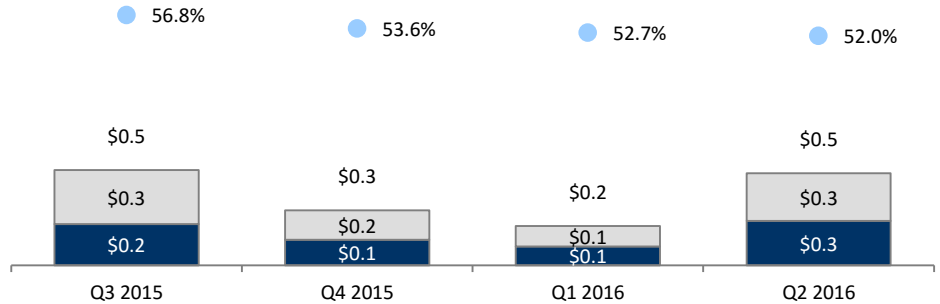
**Figure 7: Fees & Market Share of Middle Market Firms – All Products**



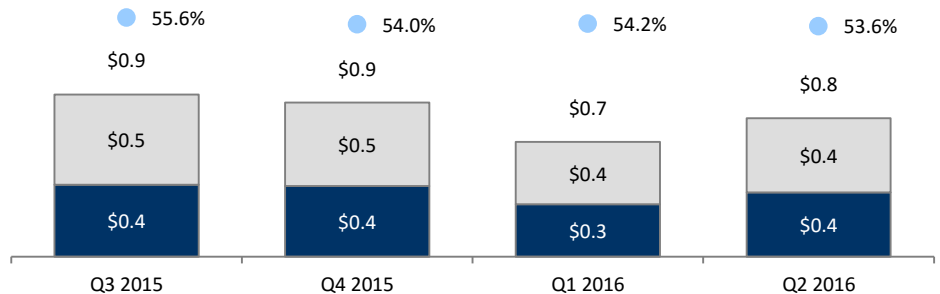
**Figure 8: Fees & Market Share of Middle Market Firms – M&A**



**Figure 9: Fees & Market Share of Middle Market Firms – ECM**



**Figure 10: Fees & Market Share of Middle Market Firms – DCM & Loans**



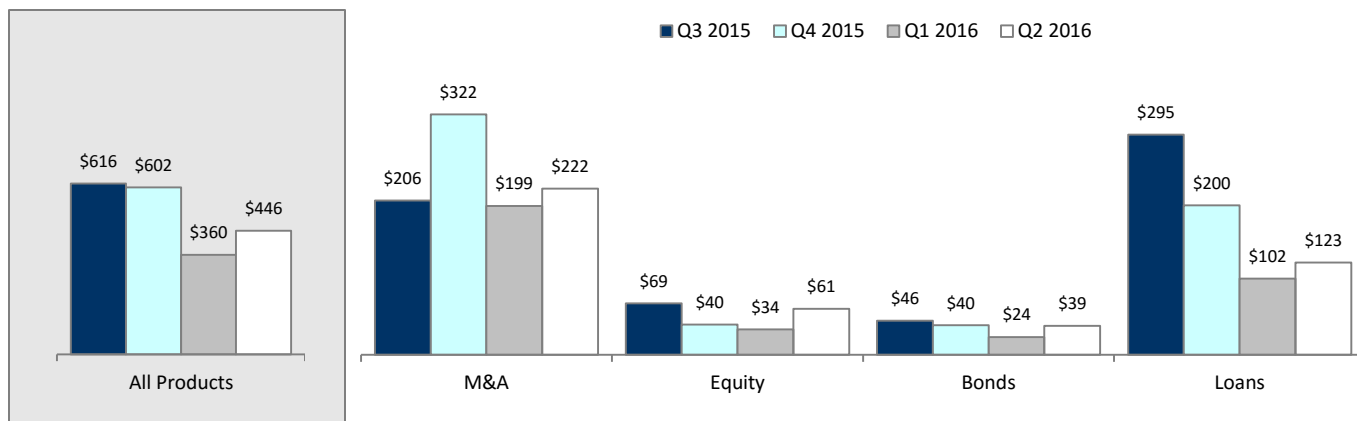
Source: Freeman Consulting Services / Thomson Reuters

Note: Middle market: deals with values under \$500mm for M&A and \$250mm for ECM, DCM & Loans

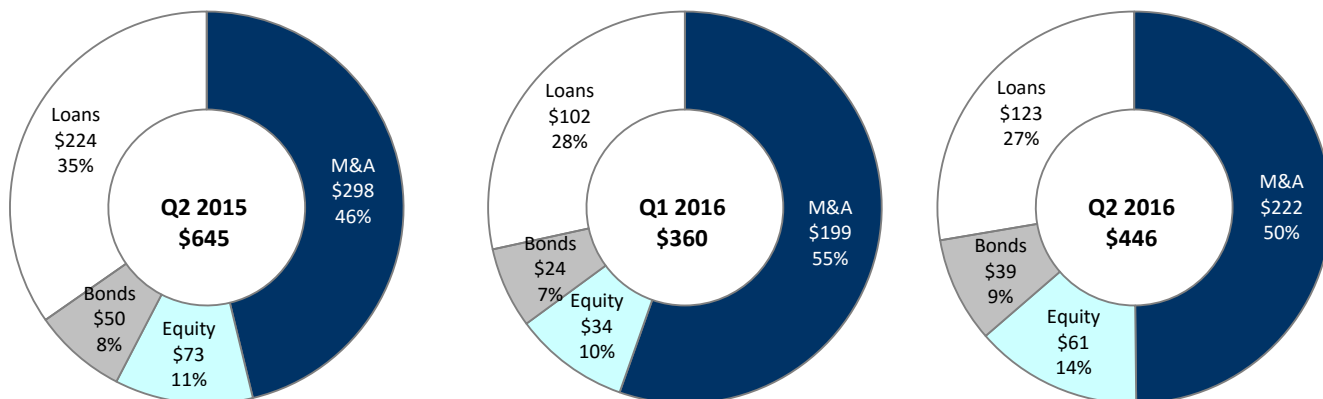
Note: Middle market advisors / underwriters represent all investment banks other than 10 of the largest bulge bracket firms (see page 13 for further detail)

# Middle Market Investment Banking Fees: Sponsor Deals Only

**Figure 11: Middle Market Sponsor Involved IB Fees (\$mm)**



**Figure 12: Middle Market Sponsor IB Fees by Product (\$mm)**



**Figure 13: Middle Market Sponsor-Involved IB Fee Ranking (LTM ending 6/30/2016)**

Rank	All Products Ranking	M&A Ranking	ECM Ranking	DCM & Loans Ranking
1	Jefferies LLC	Houlihan Lokey	Cowen & Co	BMO Capital Markets
2	Houlihan Lokey	Jefferies LLC	Jefferies LLC	RBC Capital Markets
3	PNC Financial Services Group	PNC Financial Services Group	Piper Jaffray Cos	Jefferies LLC
4	BMO Capital Markets	William Blair & Co	William Blair & Co	Wells Fargo & Co
5	William Blair & Co	Robert W Baird & Co Inc	Leerink Partners LLC	SunTrust Banks
6	Robert W Baird & Co Inc	Moelis & Co	Wells Fargo & Co	KeyBanc Capital Markets Inc
7	Wells Fargo & Co	Lazard	Robert W Baird & Co Inc	Madison Capital Funding LLC
8	RBC Capital Markets	Evercore Partners	Raymond James Financial Inc	NXT Capital LLC
9	Moelis & Co	PJT Partners LP	KeyBanc Capital Markets Inc	CIT Group Inc
10	Piper Jaffray Cos	BMO Capital Markets	BMO Capital Markets	ING
11	Lazard	Raymond James Financial Inc	Wedbush Securities	HSBC Holdings PLC
12	Evercore Partners	Rothschild	RBC Capital Markets	Macquarie Group
13	KeyBanc Capital Markets Inc	Lincoln International	JMP Securities LLC	General Electric Co
14	SunTrust Banks	Piper Jaffray Cos	SunTrust Banks	NewStar Financial
15	HSBC Holdings PLC	HSBC Holdings PLC	Guggenheim Securities LLC	Societe Generale

Source: Freeman Consulting Services / Thomson Reuters

Note: Middle market: deals with values under \$500mm for M&A and \$250mm for ECM, DCM & Loans

Note: Middle market advisors / underwriters represent all investment banks other than 10 of the largest bulge bracket firms (see page 13 for further detail)



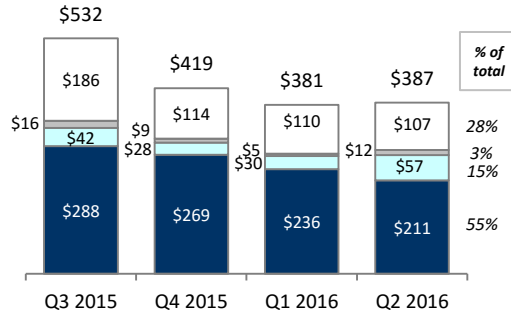
# Middle Market Investment Banking Fees: Sector & Product

\$ in millions

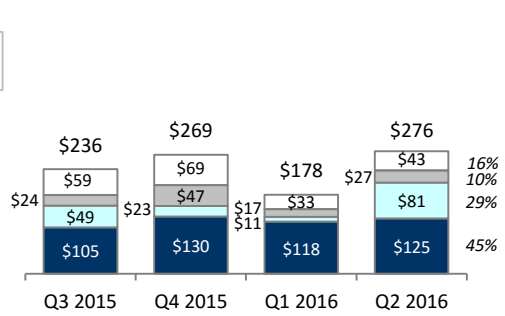
Legend:

- Loans
- Bonds
- Equity
- M&A

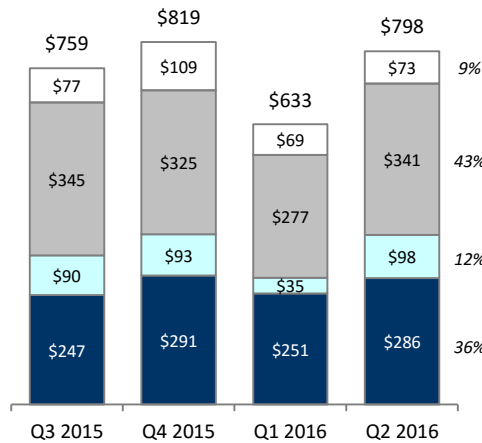
**Figure 14: Consumer/Retail**



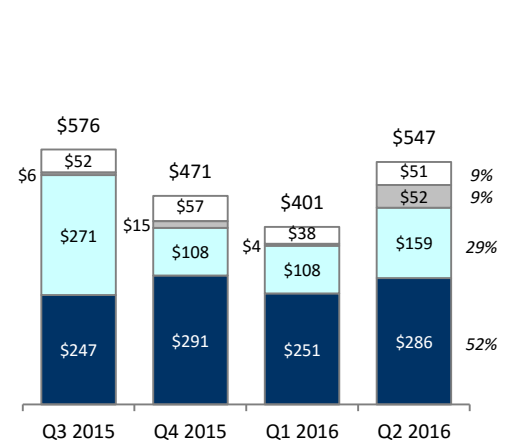
**Figure 15: Energy & Power**



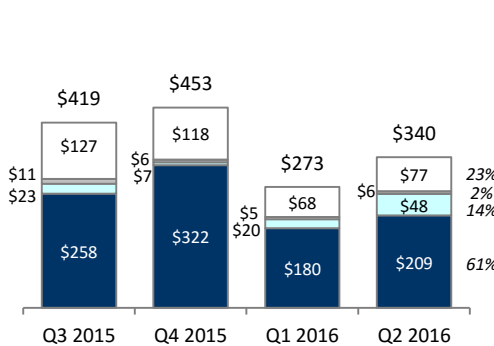
**Figure 16: FIG & Real Estate**



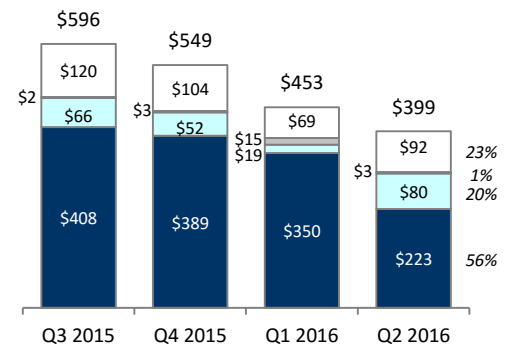
**Figure 17: Healthcare**



**Figure 18: Industrials**



**Figure 19: TMT**



Source: Freeman Consulting Services / Thomson Reuters

Note: Middle market: deals with values under \$500mm for M&A and \$250mm for ECM, DCM & Loans  
 Note: Middle market advisors / underwriters represent all investment banks other than 10 of the largest bulge bracket firms (see page 13 for further detail)

# Middle Market Investment Banking League Tables by Fees

*M&A advisory and ECM underwriting fees only*

*LTM ending Q2 2016*

**Figure 20: Consumer/Retail**

Rank	Firm	Market Share
1	Houlihan Lokey	9.4%
2	Robert W Baird & Co Inc	6.3%
3	PNC Financial Services Group	5.4%
4	Raymond James Financial Inc	5.0%
5	William Blair & Co	4.9%
6	Moelis & Co	4.9%
7	Piper Jaffray Cos	4.6%
8	Jefferies LLC	3.9%
9	Evercore Partners	3.2%
10	RBC Capital Markets	2.9%
11	Lazard	2.8%
12	Guggenheim Securities LLC	2.0%
13	Duff & Phelps	1.7%
14	Generational Equity	1.7%
15	M&A International	1.7%

**Figure 22: FIG & Real Estate**

Rank	Firm	Market Share
1	Sandler O'Neill Partners	10.5%
2	Stifel/KBW	8.6%
3	Raymond James Financial Inc	6.6%
4	RBC Capital Markets	4.7%
5	Evercore Partners	4.6%
6	Houlihan Lokey	4.6%
7	Jefferies LLC	4.2%
8	Lazard	2.5%
9	Stephens Inc	2.5%
10	Rothschild	2.3%
11	Wells Fargo & Co	1.8%
12	Macquarie Group	1.7%
13	Fig Partners LLC	1.7%
14	HSBC Holdings PLC	1.7%
15	Willis Capital Markets	1.4%

**Figure 24: Industrials**

Rank	Firm	Market Share
1	Houlihan Lokey	11.1%
2	Robert W Baird & Co Inc	7.2%
3	Moelis & Co	6.9%
4	PNC Financial Services Group	6.0%
5	Jefferies LLC	5.1%
6	Lazard	4.9%
7	PJT Partners LP	3.6%
8	Lincoln International	2.9%
9	William Blair & Co	2.7%
10	Evercore Partners	2.5%
11	Nomura	2.2%
12	Generational Equity	2.1%
13	Centerview Partners LLC	1.7%
14	M&A International	1.5%
15	Piper Jaffray Cos	1.5%

**Figure 21: Energy & Power**

Rank	Firm	Market Share
1	Evercore Partners	12.6%
2	RBC Capital Markets	11.9%
3	Jefferies LLC	9.3%
4	Piper Jaffray Cos	6.6%
5	Houlihan Lokey	6.1%
6	Lazard	5.3%
7	Wells Fargo & Co	4.8%
8	BMO Capital Markets	4.5%
9	Greenhill & Co, LLC	4.5%
10	Scotiabank	4.4%
11	Robert W Baird & Co Inc	2.5%
12	Tudor Pickering & Co LLC	2.1%
13	GCA Savvian Group Corp	1.5%
14	Rivington Capital Advisors LLC	1.4%
15	Stifel/KBW	1.4%

**Figure 23: Healthcare**

Rank	Firm	Market Share
1	Jefferies LLC	12.4%
2	Piper Jaffray Cos	11.5%
3	Cowen & Co	8.1%
4	Houlihan Lokey	7.7%
5	Leerink Partners LLC	6.1%
6	Moelis & Co	4.3%
7	Stifel/KBW	3.9%
8	William Blair & Co	3.9%
9	Guggenheim Securities LLC	3.2%
10	Evercore Partners	2.9%
11	Wells Fargo & Co	2.4%
12	PNC Financial Services Group	1.9%
13	JMP Securities LLC	1.9%
14	RBC Capital Markets	1.7%
15	Raymond James Financial Inc	1.1%

**Figure 25: TMT**

Rank	Firm	Market Share
1	Houlihan Lokey	7.9%
2	Moelis & Co	5.9%
3	Jefferies LLC	5.6%
4	William Blair & Co	5.5%
5	Evercore Partners	4.4%
6	PJT Partners LP	4.1%
7	RBC Capital Markets	3.9%
8	Raymond James Financial Inc	3.6%
9	Lazard	3.4%
10	Robert W Baird & Co Inc	3.0%
11	Wells Fargo & Co	2.7%
12	PNC Financial Services Group	2.4%
13	Rothschild	1.8%
14	Lincoln International	1.8%
15	Petsky Prunier LLC	1.6%

Source: Freeman Consulting Services / Thomson Reuters

Note: Middle market: deals with values under \$500mm for M&A and \$250mm for ECM, DCM & Loans

Note: Middle market advisors / underwriters represent all investment banks other than 10 of the largest bulge bracket firms (see page 13 for further detail)



# Middle Market Investment Banking Fees: Market Share Change

M&A advisory and ECM underwriting fees only

Market share change ( $\Delta$ ) from Q2 2015 to Q2 2016

**Figure 26: Top Overall Market Share Increases / Decreases**

#	Firm	Market Share $\uparrow$
1	Evercore Partners	2.7%
2	PJT Partners LP	2.3%
3	Moelis & Co	1.7%

#	Firm	Market Share $\downarrow$
1	William Blair & Co	(1.8%)
2	Leerink Partners LLC	(1.5%)
3	Stifel/KBW	(1.3%)

**Figure 27: Consumer/Retail**

Rank	Firm	Market Share $\Delta$
<b>Increases</b>		
1	Jordan Edmiston Group	4.7%
2	Moelis & Co	4.7%
3	Vista Point Advisors LLC	4.1%
<b>Decreases</b>		
1	Jefferies LLC	(8.0%)
2	Houlihan Lokey	(7.3%)
3	Guggenheim Securities LLC	(5.9%)

**Figure 28: Energy & Power**

Rank	Firm	Market Share $\Delta$
<b>Increases</b>		
1	Jefferies LLC	8.7%
2	Scotiabank	5.0%
3	GCA Savvian Group Corp	3.9%
<b>Decreases</b>		
1	Evercore Partners	(5.7%)
2	Lazard	(4.8%)
3	Raymond James Financial Inc	(4.3%)

**Figure 29: FIG & Real Estate**

Rank	Firm	Market Share $\Delta$
<b>Increases</b>		
1	Stephens Inc	5.2%
2	RBC Capital Markets	3.8%
3	Lazard	3.5%
<b>Decreases</b>		
1	Wells Fargo & Co	(6.0%)
2	Jefferies LLC	(4.3%)
3	DA Davidson & Co Inc	(2.6%)

**Figure 30: Healthcare**

Rank	Firm	Market Share $\Delta$
<b>Increases</b>		
1	Evercore Partners	10.3%
2	Jefferies LLC	7.5%
3	Moelis & Co	3.9%
<b>Decreases</b>		
1	Leerink Partners LLC	(5.3%)
2	Lazard	(4.3%)
3	Canaccord Genuity	(3.9%)

**Figure 31: Industrials**

Rank	Firm	Market Share $\Delta$
<b>Increases</b>		
1	PJT Partners LP	11.3%
2	Centerview Partners LLC	6.9%
3	Nomura	6.5%
<b>Decreases</b>		
1	Moelis & Co	(6.0%)
2	RBC Capital Markets	(4.4%)
3	Raymond James Financial Inc	(3.9%)

**Figure 32: TMT**

Rank	Firm	Market Share $\Delta$
<b>Increases</b>		
1	Moelis & Co	6.2%
2	Houlihan Lokey	3.1%
3	AlixPartners LLC	2.6%
<b>Decreases</b>		
1	Qatalyst Partners	(6.3%)
2	William Blair & Co	(3.8%)
3	Rothschild	(3.4%)

Source: Freeman Consulting Services / Thomson Reuters

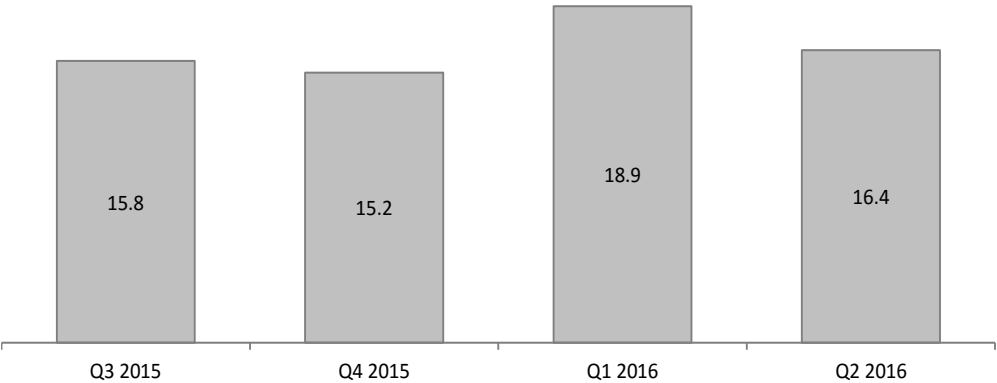
Note: Middle market: deals with values under \$500mm for M&A and \$250mm for ECM, DCM & Loans

Note: Middle market advisors / underwriters represent all investment banks other than 10 of the largest bulge bracket firms (see page 13 for further detail)

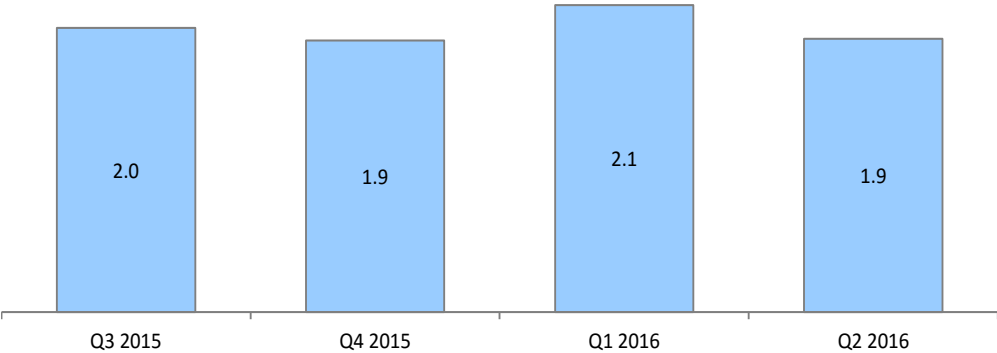
# US Equity Market Trading Volume

Shares in billions

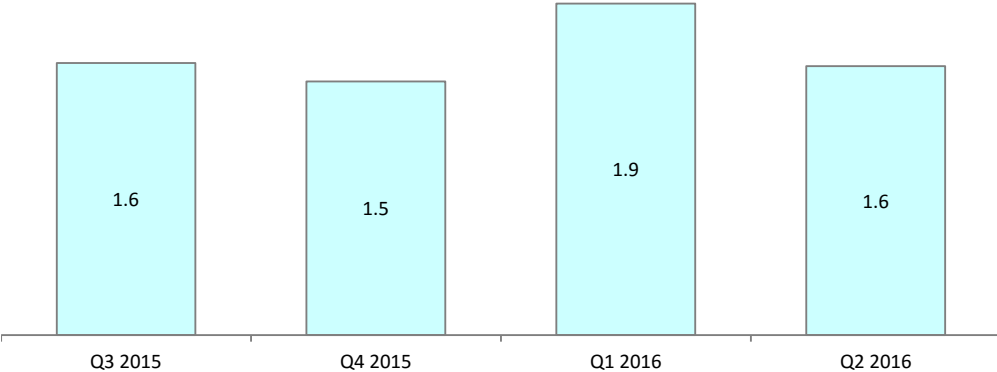
**Figure 33: NYSE Average Daily Trading Volume**



**Figure 34: Nasdaq Average Daily Trading Volume**



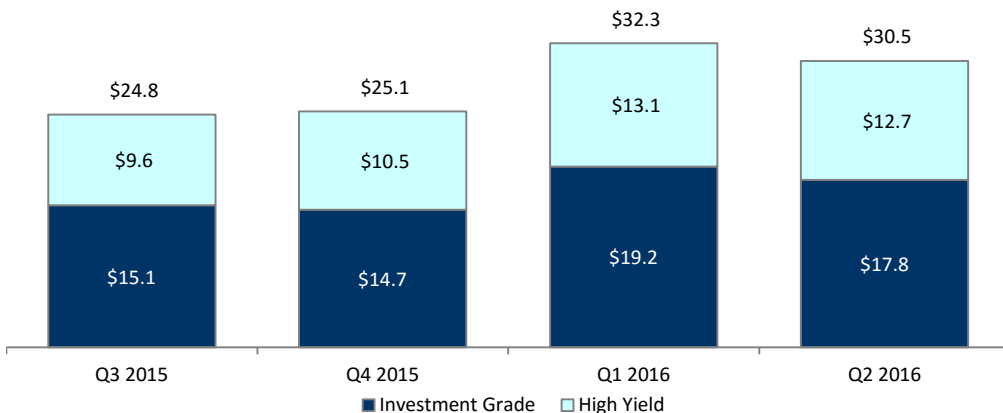
**Figure 35: BATS & Direct Edge Average Daily Trading Volume**



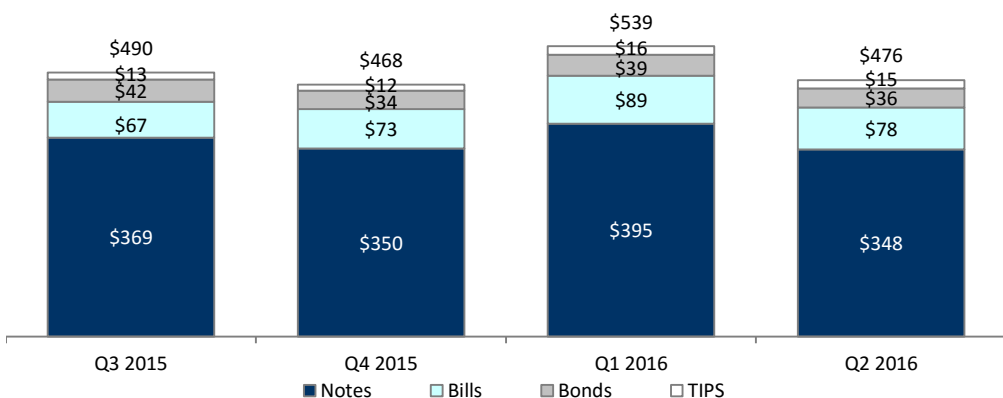
# US Bond Market Trading Volume

\$ in billions

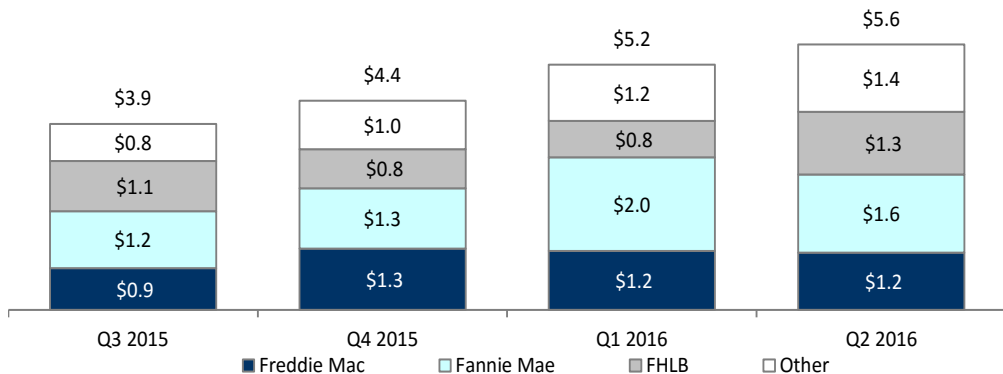
**Figure 36: US Corporate Bond Market Average Daily Trading Volume**



**Figure 37: US Treasury Market Average Daily Trading Volume**



**Figure 38: Agency MBS Market Average Daily Trading Volume**



# US Broker-Dealer Public Company Comparables

## Figure 39: US Broker-Dealer Public Company Comparables

(All figures in millions except per share data; All figures have been adjusted for extraordinary and non-recurring items)

Company Name	Summary Financials									Valuation Metrics							
	6/30/2016			LTM <sup>(1)</sup>			2016 Estimates <sup>(2)</sup>			Price / Book	Price / LTM <sup>(1)</sup>			Price / 2016E <sup>(2)</sup>			
	Stock Price	Market Cap	Book Value	Revenue	Pre-Tax	EPS	Revenue	Pre-Tax	EPS		Revenue	Pre-Tax	EPS	Revenue	Pre-Tax	EPS	
<b>Bank Holding Companies</b>																	
Bank of America	\$ 13.27	\$ 136,308	\$ 238,434	\$ 78,446	\$ 22,985	\$ 1.35	\$ 82,643	\$ 23,189	\$ 1.32	0.6x	1.7x	5.9x	9.8x	1.6x	5.9x	10.1x	
Citigroup	42.39	124,412	209,769	66,752	24,461	5.38	70,984	21,286	4.70	0.6x	1.9x	5.1x	7.9x	1.8x	5.8x	9.0x	
Goldman Sachs	148.58	64,514	75,634	29,541	10,040	14.73	29,105	9,289	14.13	0.9x	2.2x	6.4x	10.1x	2.2x	6.9x	10.5x	
JPMorganChase	62.14	227,225	224,089	88,024	31,137	5.34	96,534	34,096	5.68	1.0x	2.6x	7.3x	11.6x	2.4x	6.7x	10.9x	
Morgan Stanley	25.98	50,324	68,490	33,040	7,050	2.22	32,559	7,378	2.35	0.7x	1.5x	7.1x	11.7x	1.5x	6.8x	11.1x	
Wells Fargo	47.33	240,297	172,046	84,054	33,014	4.07	89,624	33,326	4.07	1.4x	2.9x	7.3x	11.6x	2.7x	7.2x	11.6x	
										<b>AVERAGE</b>	<b>0.9x</b>	<b>2.1x</b>	<b>6.5x</b>	<b>10.5x</b>	<b>2.0x</b>	<b>6.6x</b>	<b>10.5x</b>
										<b>MEDIAN</b>	<b>0.8x</b>	<b>2.0x</b>	<b>6.8x</b>	<b>10.9x</b>	<b>2.0x</b>	<b>6.7x</b>	<b>10.7x</b>
<b>M&amp;A Boutiques</b>																	
Evercore Partners	\$ 44.19	\$ 1,753	\$ 420	\$ 1,243	\$ 159	\$ 1.42	\$ 1,283	\$ 317	\$ 3.48	4.2x	1.4x	11.0x	31.2x	1.4x	5.5x	12.7x	
Greenhill	16.10	480	270	264	39	0.74	305	64	1.32	1.8x	1.8x	12.4x	21.8x	1.6x	7.5x	12.2x	
Houlihan Lokey	22.37	1,495	651	694	135	1.19	770	181	1.68	2.3x	2.2x	11.1x	18.8x	1.9x	8.3x	13.3x	
Lazard	29.78	3,886	1,165	2,695	(418)	3.43	2,307	534	2.88	3.3x	1.4x	NM	8.7x	1.7x	7.3x	10.4x	
Moelis & Co.	22.50	1,924	167	579	158	5.88	610	157	1.70	NM	3.3x	12.1x	NM	3.2x	12.3x	13.2x	
PJT Partners	23.00	781	(20)	439	65	2.85	441	100	1.66	NM	1.8x	12.0x	NM	1.8x	7.8x	13.9x	
										<b>AVERAGE</b>	<b>3.1x</b>	<b>2.0x</b>	<b>11.9x</b>	<b>20.6x</b>	<b>1.9x</b>	<b>8.1x</b>	<b>12.5x</b>
										<b>MEDIAN</b>	<b>3.3x</b>	<b>1.8x</b>	<b>12.1x</b>	<b>21.8x</b>	<b>1.7x</b>	<b>7.5x</b>	<b>12.7x</b>
<b>Middle Market</b>																	
Cowen Group	\$ 2.96	\$ 314	\$ 662	\$ 426	\$ (39)	\$ 0.15	\$ 512	\$ 32	\$ 0.14	0.5x	0.7x	NM	20.1x	0.6x	10.0x	21.1x	
FBR	14.93	111	195	111	(23)	(1.37)	134	(4)	(0.10)	0.6x	1.0x	NM	NM	0.8x	NM	NM	
INTL FCStone	27.29	507	408	625	79	2.93	672	82	2.81	1.2x	0.8x	6.5x	9.3x	0.8x	6.2x	9.7x	
JMP Group	5.43	115	123	139	(7)	0.14	149	16	0.50	0.9x	0.8x	NM	NM	0.8x	7.2x	10.9x	
Oppenheimer & Co.	15.46	207	509	883	(12)	(0.57)	916	(7)	0.18	0.4x	0.2x	NM	NM	0.2x	NM	NM	
Piper Jaffray	37.70	607	805	665	78	3.47	652	71	3.45	0.8x	0.9x	7.8x	10.9x	0.9x	8.6x	10.9x	
Raymond James	49.30	6,978	4,635	5,214	804	3.42	5,458	811	3.62	1.5x	1.3x	8.7x	14.4x	1.3x	8.6x	13.6x	
Stifel Financial	31.45	2,091	2,417	2,391	291	2.44	2,530	308	2.49	0.9x	0.9x	7.2x	12.9x	0.8x	6.8x	12.7x	
										<b>AVERAGE</b>	<b>0.8x</b>	<b>0.8x</b>	<b>7.5x</b>	<b>13.5x</b>	<b>0.8x</b>	<b>7.9x</b>	<b>13.2x</b>
										<b>MEDIAN</b>	<b>0.8x</b>	<b>0.9x</b>	<b>7.5x</b>	<b>12.9x</b>	<b>0.8x</b>	<b>7.9x</b>	<b>11.8x</b>
<b>Retail / Online Brokers</b>																	
Charles Schwab	\$ 25.31	33,452	12,278	\$ 6,618	\$ 2,450	\$ 1.08	\$ 7,306	\$ 2,864	\$ 1.25	2.7x	5.1x	13.7x	23.4x	4.6x	11.7x	20.2x	
E*TRADE	23.48	6,544	5,737	1,479	293	0.60	1,900	724	1.62	1.1x	4.4x	NM	NM	3.4x	9.0x	14.5x	
Gain Capital	6.32	306	307	448	50	1.07	421	57	0.96	1.0x	0.7x	6.1x	5.9x	0.7x	5.4x	6.6x	
Interactive Brokers	35.40	14,409	897	1,507	(231)	1.49	1,614	1,002	1.61	NM	9.6x	NM	23.8x	8.9x	14.4x	22.1x	
ITG	16.72	555	445	608	18	0.87	474	3	0.22	1.2x	0.9x	NM	19.2x	1.2x	NM	NM	
LPL Financial	22.53	2,005	723	4,171	291	1.84	4,031	275	1.87	2.8x	0.5x	6.9x	12.3x	0.5x	7.3x	12.1x	
TD AMERITRADE	28.48	15,060	4,872	3,239	1,327	1.53	3,396	1,356	1.59	3.1x	4.6x	11.3x	18.6x	4.4x	11.1x	18.0x	
										<b>AVERAGE</b>	<b>2.0x</b>	<b>3.7x</b>	<b>9.5x</b>	<b>17.2x</b>	<b>3.4x</b>	<b>9.8x</b>	<b>15.6x</b>
										<b>MEDIAN</b>	<b>2.0x</b>	<b>4.4x</b>	<b>9.1x</b>	<b>18.9x</b>	<b>3.4x</b>	<b>10.1x</b>	<b>16.2x</b>
<b>Interdealer / Market Making</b>																	
BGC Partners	\$ 8.71	\$ 2,390	\$ 855	\$ 3,054	\$ (92)	\$ (0.24)	\$ 2,800	\$ 420	\$ 0.85	2.8x	0.8x	NM	NM	0.9x	5.7x	10.3x	
ICAP	£ 4.20	£ 2,735	£ 977	£ 460	£ 80	£ 0.10	£ 1,152	£ 209	£ 0.26	2.8x	5.9x	NM	NM	2.4x	13.1x	16.0x	
KCG Holdings	13.30	1,164	1,484	1,175	107	0.92	1,085	127	0.95	0.8x	1.0x	10.9x	14.4x	1.1x	9.1x	14.1x	
Tullett Prebon	£ 3.04	£ 741	£ 542	£ 796	£ 81	£ 0.26	£ 804	£ 93	£ 0.32	1.4x	0.9x	9.2x	11.7x	0.9x	8.0x	9.5x	
										<b>AVERAGE</b>	<b>1.9x</b>	<b>2.2x</b>	<b>10.0x</b>	<b>13.0x</b>	<b>1.3x</b>	<b>9.0x</b>	<b>12.5x</b>
										<b>MEDIAN</b>	<b>2.1x</b>	<b>1.0x</b>	<b>10.0x</b>	<b>13.0x</b>	<b>1.0x</b>	<b>8.6x</b>	<b>12.2x</b>

(1) LTM based on calendar year ended 3/31/2016; Estimates for firms with fiscal year ends other than 12/31 have been calendarized

(2) Based on average consensus Bloomberg estimates as of 6/30/2016

## 1. Investment Banking Deal & Fee Data (pages 3-9) – all data is US only

- Source: fees imputed by Freeman Consulting Services in partnership with Thomson Reuters investment banking transaction data
- Benchmarked fees include only M&A advisory fees, equity and bond underwriting fees, and syndicated loan arrangement fees
- Benchmarked fees do not include trading commissions, gains / losses on held securities, interest, or derivatives
- Regional segmentation based on location of asset / issuer
- Fee analyses include only closed transactions, and date ranges are based on transaction close date
- Estimated fee for deals with no disclosed advisor included in middle market fees
- Sector for sponsor deals reflect target industry for both sides
- M&A deal volume analyses include announced and closed transactions, and date ranges are based on transaction announcement date
- All data is provisional, and subject to adjustment in any future reporting
- Middle market data refers to all transactions under \$500mm in deal value for M&A and transactions under \$250mm in deal value for equity, bonds and loans. Transactions with undisclosed deal values also included
- Middle market firms and corresponding fee pools and market shares represent all firms except a basket of 10 bulge bracket investment banking firms selected by Freeman & Co. (BAML, Barclays, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, JP Morgan, Morgan Stanley, UBS)

## 2. US Equities & Fixed Income Volumes (pages 10-11)

- Source: Securities Industry and Financial Markets Association (SIFMA) and exchange volume / market share releases. Underlying sources:
  - Treasury: US Primary Dealer Trading Volumes (NY Fed)
  - Agency: NY Fed & FINRA Trace (“Other” includes Farmer Mac, HUD, Federal Farm Credit Banks, TVA and Resolution Funding Corporation)
  - Corporate Bonds: FINRA Trace
- NYSE Group equity market trading volumes include NYSE and AMEX/ARCA volumes
- Corporate bond trading volume includes publicly traded and 144A securities; excludes issues with maturities of one year or less and convertible bonds
- Corporate bond trading volume for Q2 2016 is calculated as a trading day weighted average for monthly volume data from July through September
- Daily trading figures do not include all trades reported for the asset class due to time, trade type, or trade size cutoffs. Monthly and certain annual averages are derived from daily trading and therefore will often be an undercount to actual figures

## Investment Banking Services

- Independent investment banking boutique with no proprietary capital markets business
- Transaction experience in the following sub-sectors:
  - Investment banking and brokerage
  - Asset and wealth management
  - Financial technology
  - Specialty finance and insurance
- 100+ M&A and equity/debt private placements
- Relationships with over 500 public and private large, middle market and boutique financial services firms

## Strategic Consulting Services

- Market entry and client coverage strategies
  - Market sizing and competitive landscape analysis
  - Organization of capital markets departments
- Public offering advisory
- Personnel productivity
- Equity compensation plans
- Newsletter-style trend reports on investment banking and brokerage, asset management and financial technology

## Investment Banking Benchmarking Consulting Services

- Investment banking deal and fee opportunity data and analysis
- Guided financial institutions through opportunities and obstacles in investment banking and capital markets since 1991
- Longstanding partnership with Thomson Reuters provides clients with both the resources and access of a large firm, and the personalized attention of a boutique
- Data-driven toolset reveals opportunities to increase revenue, gain market share and effectively allocate resources
- Sample analyses:
  - League tables and competitive positioning
  - Top fee paying clients/issuers
  - Monetizing corporate and lending relationships with investment banking fees
  - Market entry analysis
  - Missed deals analysis



*This page intentionally left blank*

# Freeman & Co. LLC

*Independent Financial Services Advice*

[www.freeman-co.com](http://www.freeman-co.com)



Freeman & Co. LLC  
444 Madison Avenue  
12<sup>th</sup> Floor  
New York, NY 10022

Tel: +1 212 830 6161  
Fax: +1 212 265 4998