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### Cautious Optimism

Most private equity sector pundits (including us) were calling a “new normal” following the financial crisis – meaning prolonged modest deal activity and a lack of mega-deals compared to the boom time years of 2003-2007. As we finish the third full year of post-crisis life, it still seems as though everyone was correct.

In the overall private equity market (all sectors), deal activity has been relatively flat since 2010, with increases in certain areas (exits, recaps) offsetting decreases in others (new fundraising, large LBOs).

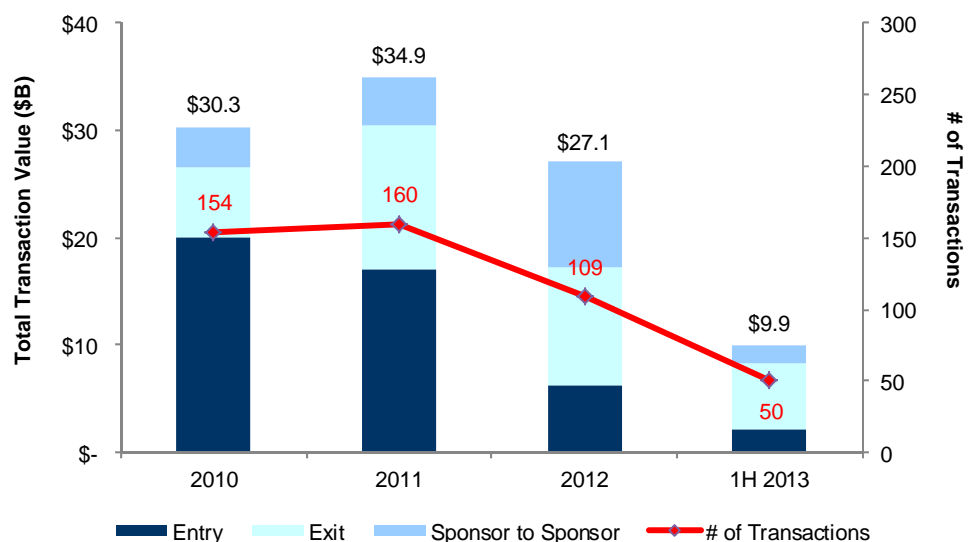
However, when comparing 2013 to the preceding three years, there are more signals of positive momentum that make us cautiously optimistic about private equity deal activity. This report covers these trends regarding private equity overall, with a particular focus on the financial services sector (“FIG”). We see the following dynamics currently shaping the market:

1. Continued improvements in credit availability, creating an increasingly positive deal environment
2. Efforts to reduce the existing capital overhang, driving an increase in sponsor-to-sponsor transactions
3. Strong equity market performance, creating a favorable environment for PE exits, but not for new investments as valuations are relatively high
4. Continued ups and downs in the financial services sector, with certain sub-sectors more favorable to PE investors than others.

Indices at August 31, 2013

DJIA	14,810
NASDAQ	3,590
S&P 500	1,633
FTSE 100	6,413
10-yr US T-Bond	2.75
USD per GBP	1.55
USD per Euro	1.32

### Financial Institutions Private Equity Transactions <sup>(1,2)</sup>



1) All deal statistics in this report include closed transactions only (entry and exit transactions)  
 2) All data reflects global financial services deal activity for 209 PE firms which invest in financial institutions. Freeman & Co. believes this data set is representative of total activity in financial institutions PE

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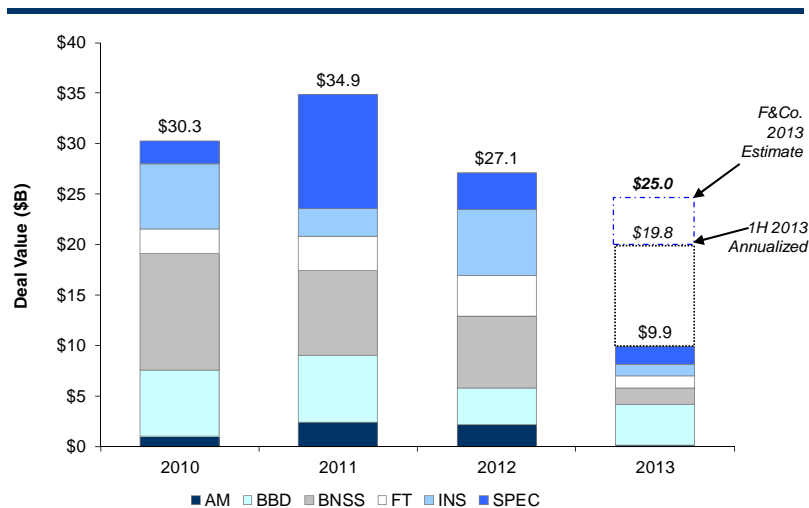
As in the past, this report is divided into three main sections:

- *FIG PE Overview*, including deal activity and entry/exit trends within private equity for financial institutions;
- *Sub-Sector Focus*, including trends in Asset Management, Banks & Brokerage, Business Services, Financial Technology, Insurance and Specialty Finance; and
- *Current Topics*, including topics important to PE investors in FIG such as the macro outlook, the general private equity environment, fundraising, credit and exit options.

## FIG PE Overview

Overall deal value in private equity (across all sectors) was generally flat from 2010-2012, similar to deal activity for the financial services sector. In FIG, reported deal value has been between \$30bn and \$35bn per year, and was just under \$10bn in 1H 2013. Due to some seasonality in deal flow and some delays in deal reporting, we expect full year 2013 to be approximately on par with the recent past.

### Deal Value by Sub-Sector



For example, there has already been a \$4.4bn sponsor-to-sponsor buyout of an insurance broker in August 2013, Hellman & Friedman's purchase of Hub International from Apex Partners and Morgan Stanley's PE arm. The deal is expected to close in the second half of 2013.

As we will discuss later in this report, exit transactions, and sponsor-to-sponsor transactions specifically, are prevalent in our "top deals" lists, with exits representing eight of the top ten deals in the last 12 months ending June 2013 (see table below).

### Top Ten FIG PE Transactions LTM (all transactions are PE entries unless otherwise noted)

Rank	Private Equity Firm	Sector	Portfolio Company	Close Date	Value \$MM
1	Buyer: Onex Capital Seller: Goldman Sachs	Insurance	USI Holdings Corp.	12/27/2012	\$2,300
2	Cerberus (partial exit)	Banks & Brokerage	Aozora Bank	1/21/2013	\$1,700
3	GTCR	Specialty Finance	Premium Credit Limited	11/1/2012	\$1,450
4	TPG Capital (partial exit)	Business Services	PT Bank Tabungan Pensiunan Nasional Tbk	5/10/2013	\$1,300
5	JC Flowers + Co.	Specialty Finance	Cabot Credit Management	5/15/2013	\$1,208
6	The Carlyle Group (exit)	Business Services	Open Solutions Inc.	1/14/2013	\$1,015
7	Buyer: Bain Capital Sellers: Oak Hill, General Atlantic	Business Services	Genpact Ltd.	10/25/2012	\$1,004
8	Buyer: TPG Capital Seller: GTCR	Financial Technology	Eze Software Group	4/9/2013	\$950
9	Buyer: CVC Capital Partners Seller: Stone Point Capital	Business Services	Cunningham Lindsey Group Inc	12/10/2012	\$930
10	The Carlyle Group (exit)	Insurance	China Pacific Life Insurance	1/8/2013	\$796

## Sector Review: Asset Management

Deal activity in the Asset Management sector in 1H 2013 outpaced 1H 2012 activity in terms of number of deals completed. In 1H 2013, seven Asset Management deals closed, compared to just three deals over the same time period in 2012. The total value of deals which closed and where deal value was disclosed, was only \$128 million in 1H 2013, but both 2012 and 2011 experienced a similar trend with the bulk of deal value closing during the third and fourth quarters. Almost 90% of annual deal value closed during 2H 2011 and 2H 2012.

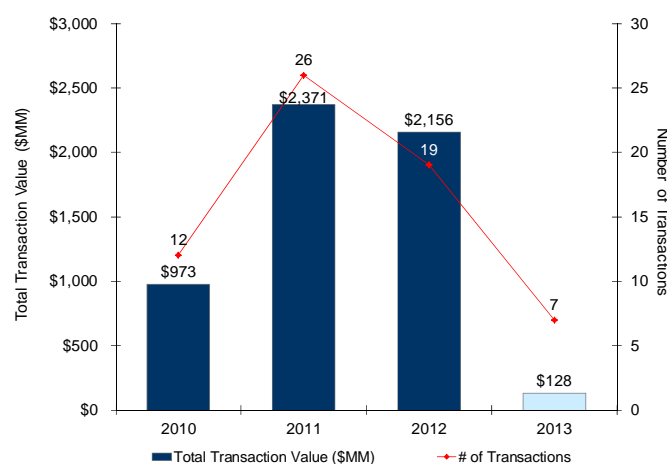
The largest asset management transaction in the past 12 months was Lee Equity Partners' September 2012 acquisition of Edelman Financial Group. Lee Equity Partners acquired a 54% stake in the firm from T. Rowe Price Associates and other investors for \$263 million in cash. The second largest transaction was the November 2012 majority sale of K2 Advisors to Franklin Templeton with consideration of \$183 million. TA Associates held a minority stake in K2 Advisors since 2007. Freeman & Co. acted as financial advisor to K2 Advisors in both transactions.

High operating margins and free cash flow have historically attracted private equity to the Asset Management sector. However, key person risk, volatility of earnings (particularly performance fees) and high beta to the stock market have prevented the sector from becoming a mainstay of private equity funds. Unsurprisingly, pricing reflects these risks and tends to favor larger, diversified, management fee heavy managers with higher valuations.

### Publicly Traded Asset Management Firms: Enterprise Value / LTM EBITDA



### Deal Activity



### Top Deals LTM (all transactions are PE entries unless otherwise noted)

Rank	Private Equity Firm	Portfolio Company	Close Date	Value \$MM	Transaction Type
1	Lee Equity Partners	The Edelman Financial Group	9/20/2012	\$263	Acquisition
2	TA Associates	K2 Advisors, L.L.C.	11/1/2012	\$183	Sale
3	Warburg Pincus	Capital First Limited	11/6/2012	\$139	Acquisition
4	LLR, FTV Capital	Good Harbor Financial	4/17/2013	\$75	Growth equity
5	Vulcan Capital	Silvercrest Asset Management Group	6/26/2013	\$53	Sale: IPO
6	Lovell Minnick	ClariVest Asset Management, LLC	12/26/2012	not reported	Sale
7	Century Capital Management	BroadStreet Capital Partners	2/11/2013	not reported	Acquisition
8	Rosemont	Foundry Partners	2/1/2013	not reported	Acquisition
9	Lovell Minnick	Kanaly Trust	12/14/2012	not reported	Acquisition
10	Rosemont	Lateef Investment Management	12/1/2012	not reported	Sale

Note: private equity deals tracked in the Asset Management sector include portfolio company investments only (excludes strategic investments in investment managers at the GP level)

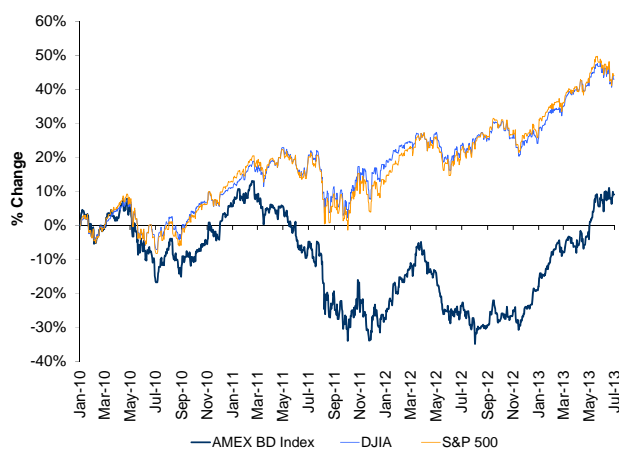
## Sector Review: Banks & Brokerage

Private equity deal activity for 1H 2013 in the Banks & Brokerage sector exceeded all other financial institution sectors. Ten deals with a combined value over \$4.0 billion closed during the first six months of 2013, including two large sales of Asian banks by PE firms.

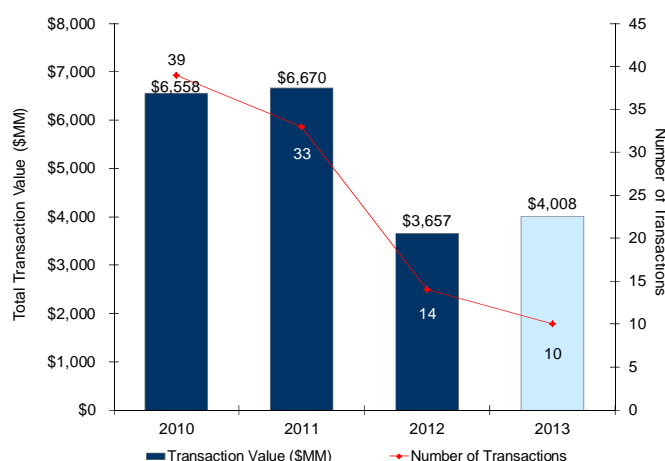
Cerberus' January sale of the Japanese commercial lending institution, Aozora Bank, was the largest deal of 1H 2013. The follow-on public offering raised \$1.7 billion. Aozora had seen a three-fold share price increase since the end of 2008. The sale represents a growing trend in the sector's private equity activity: many firms are capitalizing on improving market conditions to exit bank deals. The Banks & Brokerage sector's second largest transaction during the last 12 months further emphasizes this theme. TPG Capital sold a portion of its stake in Indonesia's seventh-largest bank, Bank Tabungan Pensiunan Nasional (BTPN), to Sumitomo Mitsui Banking Corp. TPG had acquired a 71.6% stake in BTPN during 2008.

On the brokerage side, private equity firms are expected to remain a catalyst in broker-dealer consolidation. Improved economic conditions and the possibility of rising interest rates support potential positive momentum in equity sales & trading and research businesses for the first time in several years. However, trading volumes remain depressed, without any clear sign of a turnaround, creating a significant headwind for trading-oriented B-Ds. Firms are also likely to seek exits or consolidation opportunities for fixed income broker-dealers acquired in the aftermath of the financial crisis. The re-entrance of bulge bracket financial institutions into the fixed income market and the unexpected hesitancy of the United States government to expand the primary dealer list have complicated the original investment thesis in the segment.

### Broker-Dealer Financial Performance



### Deal Activity



### Top Deals LTM (all transactions are PE entries unless otherwise noted)

Rank	Private Equity Firm	Portfolio Company	Close Date	Value \$MM	Transaction Type
1	Cerberus	Aozora Bank	1/21/2013	\$1,700	Sale: Public Offering
2	TPG Capital	PT Bank Tabungan Pensiunan Nasional Tbk	5/10/2013	\$1,300	Sale
3	Buyers: Carlyle, Stone Point; Sellers: Lovell Minnick, Vestar	Duff & Phelps, LLC	4/23/2013	\$669	Acquisition
4	Warburg Pincus	Webster Financial Corp.	12/20/2012	\$201	Sale: Public Offering
5	General Atlantic	XP Investimentos CCTVM S/A	2/26/2013	\$200	Acquisition
6	JC Flowers	BTG Pactual S.A.	1/11/2013	\$114	Sale: Public Offering
7	Pine Brook Road, Castle Creek	Community Trust Financial Corporation	12/17/2012	\$85	Acquisition
8	Lovell Minnick	TriState Bank	8/21/2012	\$50	Acquisition
9	Foundation Capital, Norwest Equity Partners	Motif Investing	2/28/2013	\$25	Venture Capital
10	Warburg Pincus	Cortview Capital Securities	3/5/2013	not reported	Sale

## Sector Review: Financial Technology

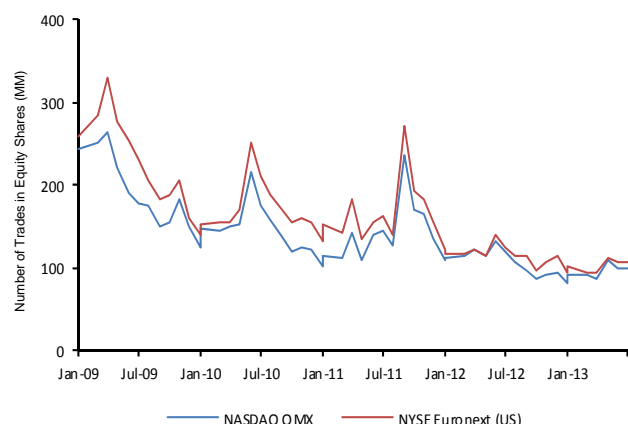
Financial Technology is another sub-sector that has traditionally been attractive to private equity firms. Although transaction volumes have fallen, total deal value remains strong, and interest is especially high in areas with strong growth expectations. Steady evolution of technology used in both the capital markets and investment management creates opportunities for private equity firms to deploy capital and harvest gains from boom-era investments.

The lack of volatility in equity markets has led to a slump in equity trading volumes since 2010. During that time, trading-related technologies leveled off in growth or shrunk and private equity firms have taken note, making few new investments in that niche. However, fixed income trading, traditionally an asset class that has been more voice-driven than equities, has been an area of innovation. We expect new electronic trading technologies to be adopted once the competitive landscape thins and the network effect these new trading systems demand takes hold.

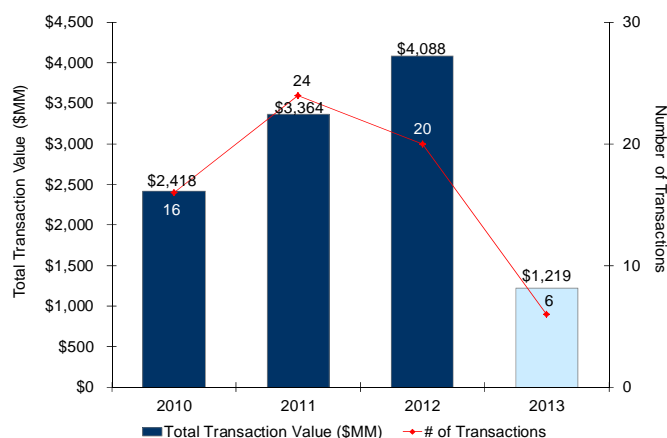
Investment technology for the buy-side, on the other hand, has seen very significant activity in 2013. The largest FinTech deal over the past 12 months was the sale of Eze Software Group out of ConvergeX to TPG Capital for almost \$1 billion. This transaction monetized the front end trading systems business of ConvergeX, a leader in electronic agency equity and options execution backed by GTCR and BNY Mellon. TPG also acquired a stake in Advent Software in 1H 2013, a publicly traded provider of technology services to the investment management industry – further evidence of the PE firm's bullish view on the sector. A combination of these two firms would create one of the most powerful, if not the most powerful technology provider to investment managers.

### US Exchanges Shares Volume (1)

(1) Electronic order book trades



### Deal Activity



### Top Deals LTM (all transactions are PE entries unless otherwise noted)

Rank	Private Equity Firm	Portfolio Company	Close Date	Value \$MM	Transaction Type
1	Buyer: TPG Capital; Seller: GTCR	Eze Software Group	4/9/2013	\$950	Acquisition
2	Technology Crossover Ventures	FXall	8/17/2012	\$680	Sale
3	TPG Capital	Advent Software, Inc.	5/10/2013	\$190	Stake Acquisition
4	Summit Partners, Technology Crossover Ventures	Liquidnet, Inc.	7/3/2012	\$100	Sale: Buyback
5	Insight Venture Partners	SR Labs	1/9/2013	\$53	Venture Capital
6	FTV Capital	eBaoTech	1/29/2013	\$36	Growth equity
7	New Enterprise Associates	Braintree Payment Solutions, LLC	10/17/2012	\$35	Venture Capital
7	Aquiline	BI-SAM Technologies S.A.	7/10/2012	not reported	Acquisition
8	Madison Dearborn Partners	EVO Payments International, LLC	1/7/2013	not reported	Acquisition
9	Sequoia Capital	Merlin Securities, LLC	8/1/2012	not reported	Sale

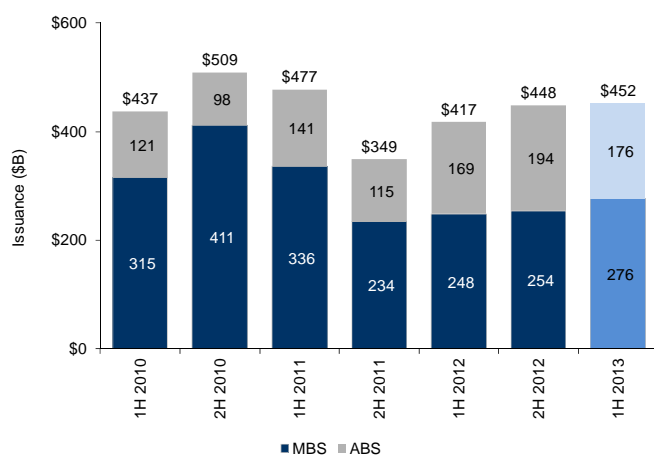
## Sector Review: Specialty Finance

The Specialty Finance sub-sector had positive momentum through the first half of 2013 in terms of deal activity. We expect this trend to continue through year end, although we don't expect 2011's banner year to be eclipsed. Deal pace and total value are both trending roughly in line with 2012. These companies are taking advantage of a shifting regulatory landscape and a more restrictive lending environment that has pushed some of the most active segments of commercial and consumer borrowers out of the traditional credit marketplace. Specialty Finance companies are filling the void, and are avenues for private equity firms to gain exposure to certain asset classes via these specialized originators, such as small ticket commercial credit or residential mortgages.

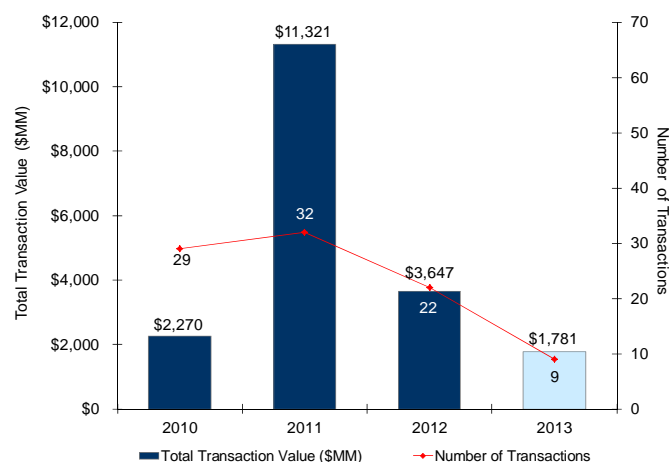
Private equity interest is spread across several of these sub-industries. Of the top five transactions within the last 12 months, PE firms acquired an insurance premium finance company (Premium Credit Limited), a consumer debt acquirer (Cabot Credit Management) and an aircraft lessor (BBAM LLC). Other notable transactions included several consumer-focused finance companies, another consumer debt recovery provider and two consumer lenders – two of which are focused on auto finance (First Investors Financial Services and White River Capital).

Mortgage origination and servicing has been relatively less active than some of the other sub-industries over the last 12 months. Originations are forecasted to suffer over the next several months as refinance volumes trend downward while waiting for a pickup in purchase originations. Institutional buyers have been extremely active in the residential real estate market, so the linkage between mortgage origination volume and overall volumes of single family purchases is slightly weaker than it has been historically. Furthermore, higher capital requirements can drag on returns for any PE owner of a mortgage originator/servicer, which might scare off some of the firms who have generally positive views on the overall market.

### Securitization Proceeds



### Deal Activity

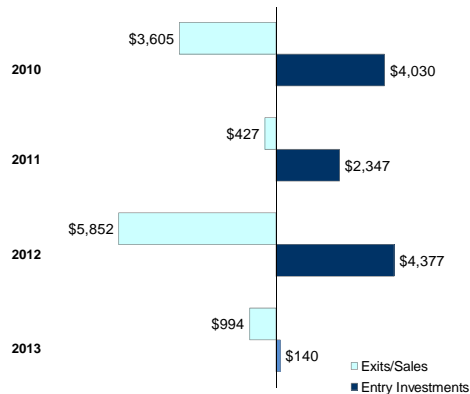


### Top Deals LTM (all transactions are PE entries unless otherwise noted)

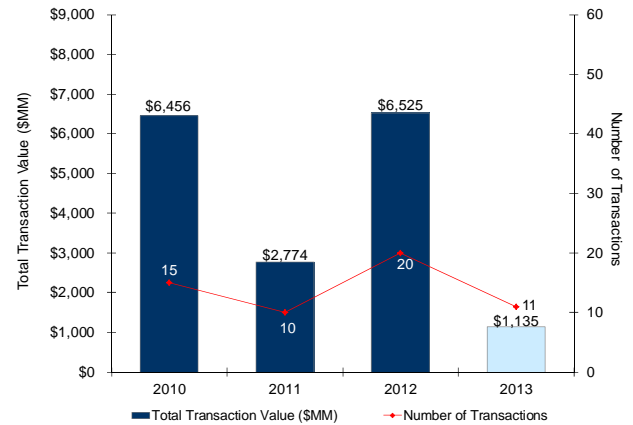
Rank	Private Equity Firm	Portfolio Company	Close Date	Value \$MM	Transaction Type
1	GTCR	Premium Credit Limited	11/1/2012	\$1,450	Acquisition
2	JC Flowers	Cabot Credit Management	5/15/2013	\$1,208	Acquisition
3	WL Ross	American Home Mortgage Servicing, Inc.	12/27/2012	\$750	Sale
4	TPG Capital	Shriram Transport Finance Co. Ltd.	2/21/2013	\$305	Sale
5	Onex Capital	BBAM LLC	12/28/2012	\$165	Acquisition
6	Flexpoint Ford	Jefferson Capital Systems, LLC	8/3/2012	\$141	Acquisition
7	Cerberus	AerCap Aviation Solutions	3/26/2013	\$120	Sale: Public Offering
8	JAM Equity Partners	RMS Reverse Mortgage Solutions	11/1/2012	\$120	Sale
9	Aquiline	First Investors Financial Services Group	9/26/2012	\$100	Acquisition
10	Parthenon Capital	White River Capital	2/14/2013	\$78	Acquisition

## Sector Review: Insurance

### Entry vs. Exit Deals



### Deal Activity

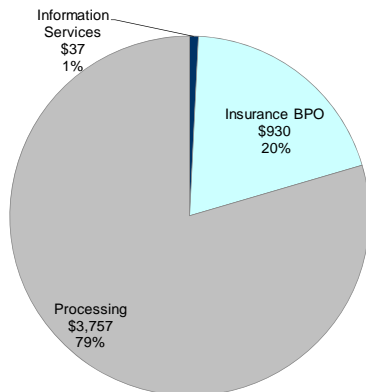


### Top Deals LTM (all transactions are PE entries unless otherwise noted)

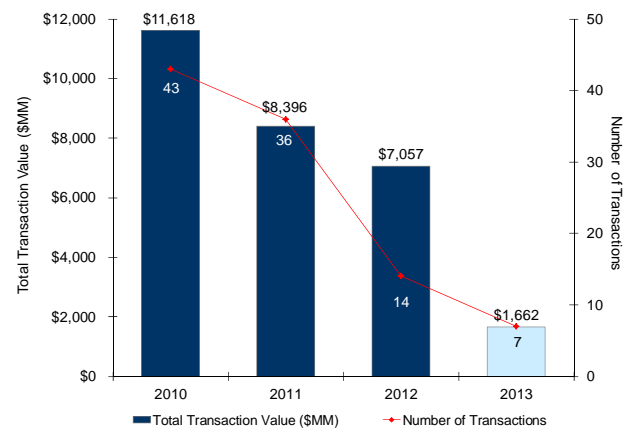
Rank	Private Equity Firm	Portfolio Company	Close Date	Value \$MM	Transaction Type
1	Buyer: Onex Capital; Seller: Goldman Sachs	USI Holdings Corp.	12/27/2012	\$2,300	Acquisition
2	The Carlyle Group	China Pacific Life Insurance	1/8/2013	\$796	Sale: Public Offering
3	Capital Z Partners	Permanent General Companies, Inc.	12/31/2012	\$239	Sale
4	Aquiline	Equity Insurance Group Limited	4/22/2013	\$140	Acquisition
5	Stone Point	Axis Capital Holdings Ltd.	3/31/2013	\$116	Sale: Buyback
6	Buyer: Stone Point; Seller: JC Flowers	EnStar Group	7/1/2012	\$104	Stake Acquisition
7	Warburg Pincus	Primerica, Inc.	2/11/2013	\$82	Sale: Buyback
8	Buyer: Genstar; Seller: GCP	Acrisure LLC	3/1/2013	not reported	Acquisition
9	Genstar	Confie Seguros	11/9/2012	not reported	Sale
10	Lightyear	Cooper Gay Swett & Crawford Ltd.	1/16/2013	not reported	Sale

## Sector Review: Business Services

### Deal Activity by Sub-Sector (LTM)



### Deal Activity



### Top Deals LTM (all transactions are PE entries unless otherwise noted)

Rank	Private Equity Firm	Portfolio Company	Close Date	Value \$MM	Transaction Type
1	Carlyle Group	Open Solutions Inc.	1/14/2013	\$1,015	Sale
2	Buyer: Bain Capital; Sellers: Oak Hill, General Atlantic	Genpact Ltd.	10/25/2012	\$1,004	Acquisition
3	Buyer: CVC Capital Partners; Seller: Stone Point	Cunningham Lindsey Group Inc	12/10/2012	\$930	Acquisition
4	Summit Partners	Ogone SA	3/26/2013	\$484	Sale
5	Great Hill	Accelerated Payment Technologies, Inc.	10/2/2012	\$413	Sale
6	FTV Capital, LLR	Fleet One	10/4/2012	\$369	Sale
7	Apax Partners	mFoundry, Inc.	3/14/2013	\$120	Sale
8	Susquehanna Growth Equity	Credit Karma, Inc.	4/2/2013	\$30	Venture Capital
9	Bain Capital Partners	Billtrust	11/14/2012	\$25	Venture Capital
10	Stone Point	Infoglide Software Corporation	4/1/2013	\$7	Sale

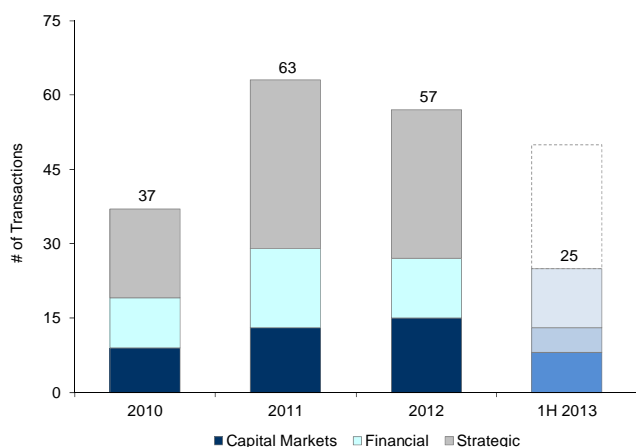
## Exit Strategies

PE firms have been hanging onto portfolio companies for better valuations, extending out fund lives that were started in the fundraising boom of 2004-2008 and essentially kicking the can down the road with the goal of improving returns. There are still a significant number of boom-era portfolio companies on the books of funds, but the exit market finally started to heat up in 2013.

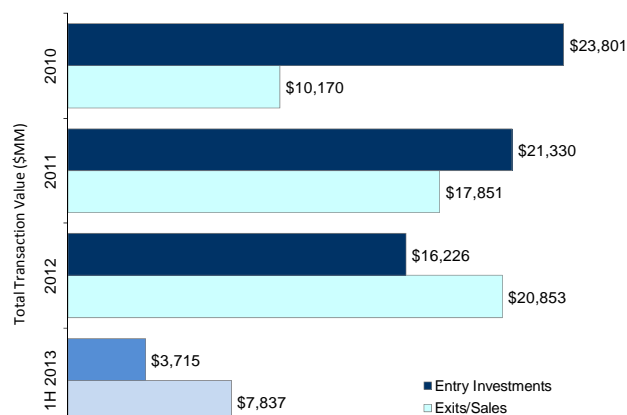
In the financial services sector, that tide turned a year earlier where exit deal value surpassed total entry value in 2012. 2012 was the biggest year for exits in terms of aggregate deal value since 2007. That trend has continued into 1H 2013, with \$7.8bn in exits compared to just \$3.7bn of new investments (total entries plus exits do not equal total deal value due to investment returns and sponsor-to-sponsor transactions). But funds continue to hold a meaningful portion of their book at values below positive return levels (and especially below carry-eligible levels) due to the inflated valuations of boom-era buyouts. We have seen the sales of companies, bought immediately following the crisis at depressed valuations, pick up recently. The motivations for selling and for deploying dry powder in funds are becoming stronger, as evidenced by the significant increase in sponsor-to-sponsor transactions.

Public trading multiples often provide the private equity markets with the most concrete benchmarks for deal-making. With strong recent equity markets performance over the past year, exits for PE firms are now more palatable.

### Exits by Year <sup>(1)</sup>



### Entry vs. Exit



### Top Exits Since 2009

Rank	Private Equity Firm	Portfolio Company	Buyer	Close Date	Value \$MM	Exit Type <sup>(1)</sup>
1	Cerberus	TD Auto Finance LLC	TD Bank US Holding Company	4/1/2011	\$6,300	Strategic
2	H&F (partial), General Atlantic	Emdeon	Blackstone	11/2/2011	\$3,429	Financial
3	Madison Dearborn	TransUnion LLC	Advent, Goldman Sachs	4/30/2012	\$3,310	Financial
4	Goldman Sachs Merchant Banking	USI Holdings Corp.	Onex Capital	12/27/2012	\$2,300	Financial
5	CDP Capital, GCP Capital, H&F, New Mountain, Stone Point, Vestar	Paris Re Holdings Ltd.	PartnerRe	12/7/2009	\$1,975	Strategic
6	General Atlantic, Spectrum Equity, TCV	RiskMetrics Group, Inc	MSCI, Inc.	6/1/2010	\$1,845	Strategic
7	JC Flowers & Co.	BTG Pactual S.A.	IPO	4/24/2012	\$1,723	Capital Markets
8	Cerberus Capital Management	Aozora Bank	Follow-On Offering	1/21/2013	\$1,700	Capital Markets
9	BAML, Stone Point, Diamond Castle	Alterra	Max Capital Group	5/12/2010	\$1,494	Financial
10	H&F, JMI Equity	Vertafore, Inc.	TPG Capital	7/29/2010	\$1,400	Financial

(1) **Capital Markets:** sale or partial sale of stake via equity capital markets (IPO or follow-on)

**Financial:** sale or partial sale to another private equity firm

**Strategic:** sale or partial sale to a strategic buyer



## Credit Environment

The continued improvement in global debt markets is a big positive factor for PE deal activity going forward. As PE firms expect 20%+ returns, reasonable levels of leverage are required to meet expectations. That is especially true for new investments, which are being driven to more expensive valuation levels by the appreciating public equity markets.

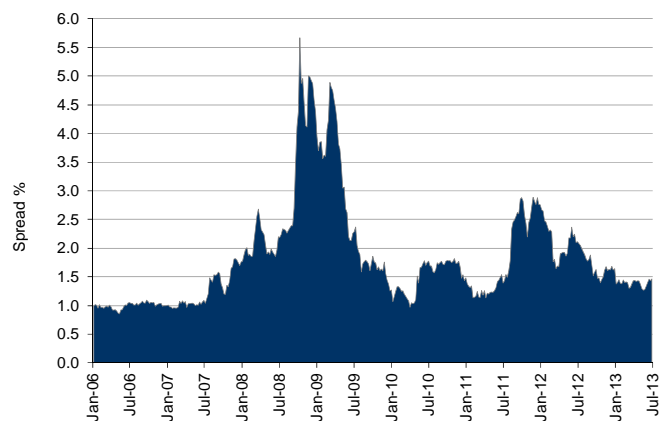
Leverage multiples are back up to 2007 levels, as debt remains historically cheap. Since the Fed signaled in June that the end to these inexpensive times is at least potentially in sight, we expect further increases in PE-related financing or refinancing in the near to medium-term.

Interestingly, bank lending is still relatively muted, a stark contrast to the boom-era years of 2003-2007, as banks continue to right size their lending books to comply with the more conservative parameters established by both the regulators and themselves.

Alternative debt providers, such as dedicated mezzanine funds, high yield bonds, collateralized loan obligations (CLOs) and bank loan funds are providing significant capacity to the market. The secondary market for loans has been particularly strong:

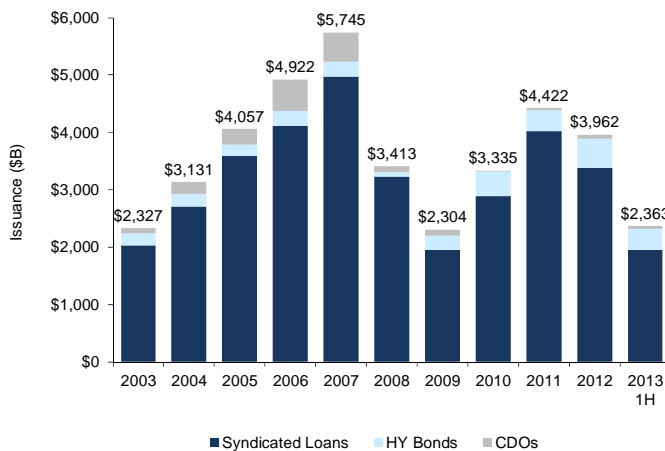
- After falling close to zero in 2009, CLO issuance in particular has grown rapidly, with just \$10bn in issuance globally in 2011, then \$50bn in 2012 and an estimate of \$80bn in 2013, according to Bain & Company
- Loan mutual funds & ETFs have seen steady growth in assets under management, with fund inflows pushing total assets under management over \$100bn in early 2013, according to Thomson Reuters

## Credit Spreads: US Govt. 10-Yr vs. IG Corp <sup>(1)</sup>

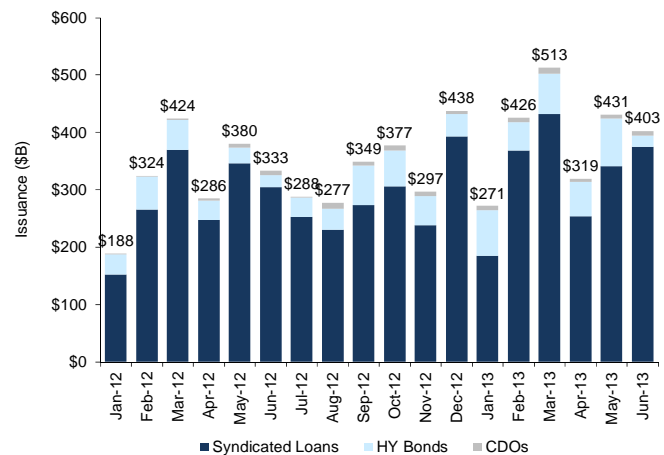


(1) US Generic 10 Year Index yield versus BLP Active Investment Grade US Corporate Bond Index YTM

## Global Debt Issuance

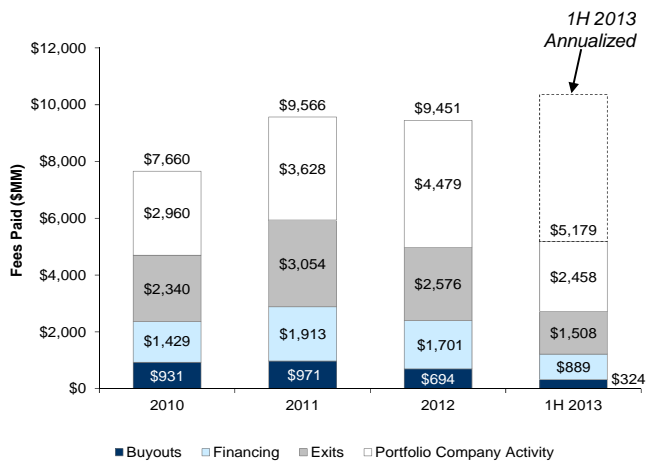


## Global Debt Issuance (Monthly Breakdown)

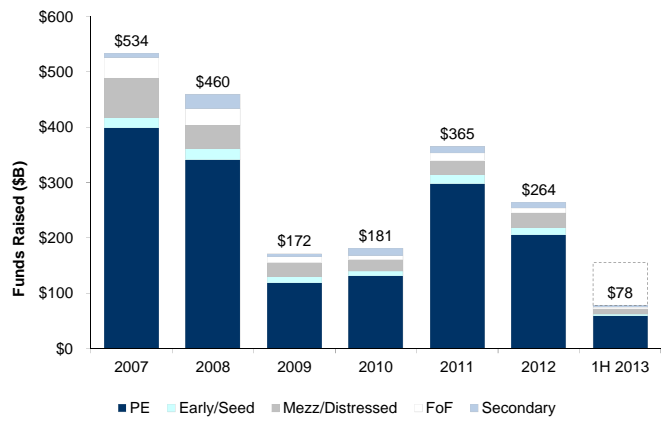


# General Private Equity Statistics

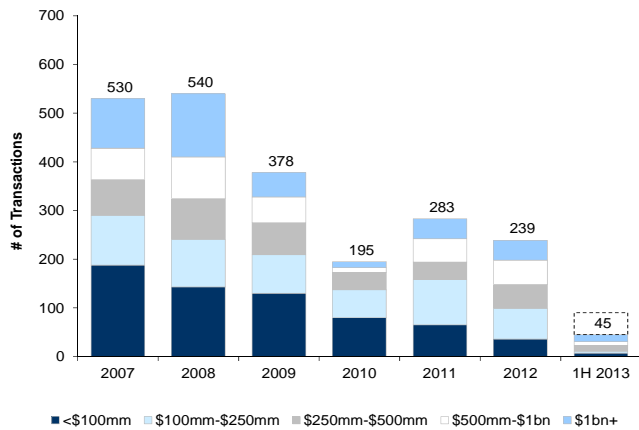
## Investment Banking Fees Paid on PE Deals



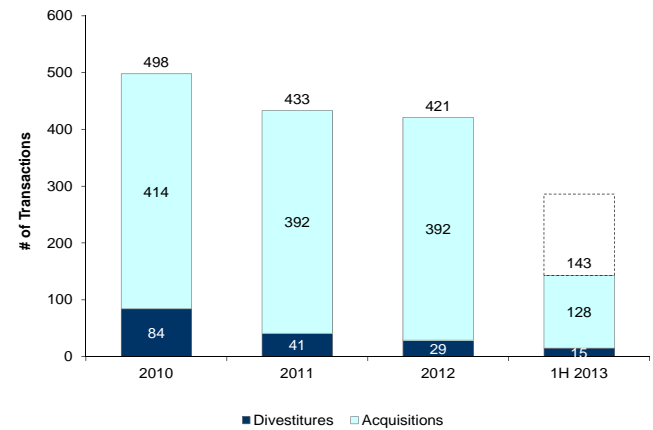
## Fundraising



## PE Buyouts by Deal Size (1)

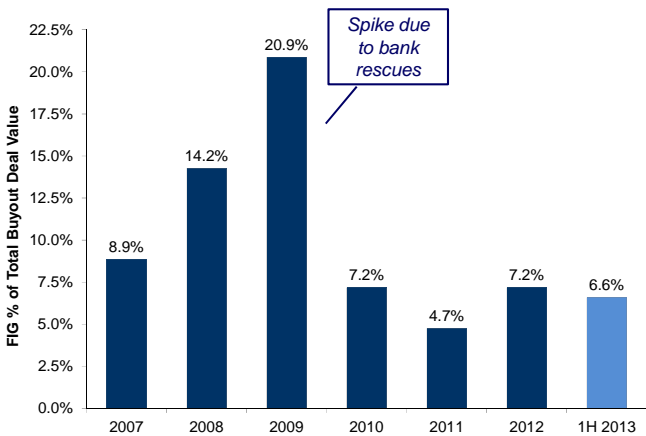


## Portfolio Company Activity by Deal Type

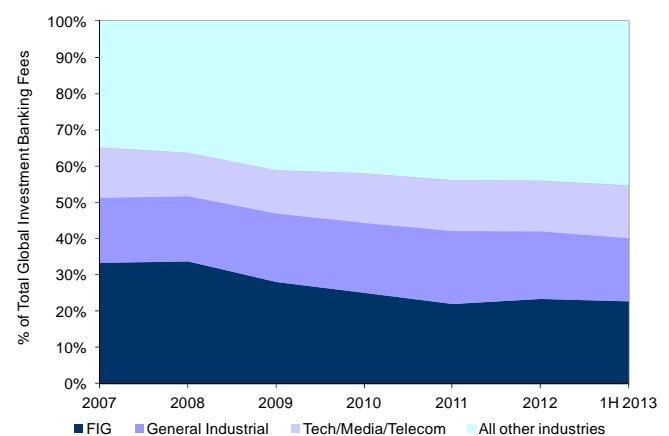


(1) Includes deals with disclosed deal value only

## FIG Buyouts as % of Total Buyouts



## FIG Investment Banking Fees as % of Total



## Select Freeman & Co. Private Equity Activity

\$3.3 billion AUM



a wholly owned subsidiary of




has been acquired by




Financial advisor to the Altegris management team

Freeman & Co. Securities LLC

(1)



entered a strategic alliance with



Financial advisor to PlanMember  
February 2013

Freeman & Co. Securities LLC

\$3.0 billion AUM (1)



a subsidiary of



has acquired a minority interest in



Exclusive financial advisor to Eagle  
December 2012

Freeman & Co. Securities LLC

\$9.3 billion AUM



has sold a majority interest to



Financial advisor to K2 Advisors  
November 2012

Freeman & Co. Securities LLC

(2)



has been acquired by



Financial advisor to Peachtree Settlement Funding  
July 2011

Freeman & Co. Securities LLC

(2)

The Institutional Sales & Trading Business of



has been acquired by



Financial advisor to Braver Stern Securities LLC  
June 2011

Freeman & Co. Securities LLC



has raised \$225,000,000 from



Financial advisor to CRT Capital Group, LLC  
August 2010

Freeman & Co. Securities LLC

\$400 million investment



led investor group has acquired



Financial advisor to Security Benefit  
July 2010

Freeman & Co. Securities LLC

\$32,000,000



NYSE Alternext: HNB

has received a \$32,000,000 investment from an

**Investor Group**

Co-manager for Herald National Bank  
March 2010

Freeman & Co. Securities LLC

\$50 Million investment in



by



**MatlinPatterson Global Opportunities Partners II, L.P.**


Fairness Opinion for Broadpoint's Board of Directors

2008

Freeman & Co. Securities LLC

LEERINK SWANN

has sold a minority interest to



Financial advisor to Leerink Swann & Company  
July 2007

Freeman & Co. Securities LLC




has been recapitalized and received a growth equity investment from




Financial advisor to ESP Technologies, LLC  
May 2007

Freeman & Co. Securities LLC

\$5.5 billion AUM



has sold a minority interest to



Financial advisor to K2 Advisors LLC  
April 2007


Freeman & Co. Securities LLC

The BANK of NEW YORK GTCR Eze Castle Software

have merged

The BANK of NEW YORK Eze Castle Software

to form



Financial advisor to GTCR  
October 2006

Freeman & Co. Securities LLC

\$1.7 billion AUM



its holding company



have been acquired by



Financial advisor to Urso Capital  
September 2006

Freeman & Co. Securities LLC

(1)



has acquired



Financial advisor to Citigroup Inc.  
August 2004

Freeman & Co. Securities LLC

- (1) Private Equity exit
- (2) Private Equity-backed transaction

## Recent Publications by Freeman & Co.

### Private Equity Focus

- *Uncertainty Abounds* (September 2012)
- *Another New Normal* (September 2011)
- *Show Me the Money* (September 2010)
- *Waiting for the Turn* (September 2009)
- *Where Have You Gone LBO?* (September 2008)
- *The Stampede Rumbles On* (September 2007)

### Insurance

- *Mixed Messaging on Market Momentum* (January 2013)
- *Harder Markets Ahead* (June 2012)
- *Where Do We Go From Here* (January 2012)
- *The Marriage of the Decade* (July 2011)
- *Damned if You Don't* (January 2011)

### Specialty Finance & Assets

- *Rebirth of the Mortgage Industry* (March 2013)
- *There are Still Riches in Niches* (September 2012)
- *The Spotlight is on Shadow Banking* (May 2012)
- *Low Interest Rates – Issues and Opportunities* (February 2012)

### Asset Management Reports

- *Changes Ahead* (May 2013)
- *The Roller Ride Coaster Continues* (August 2012)
- *The Year that Wasn't* (December 2011)
- *Slowly but Surely Coming Back...* (January 2011)
- *Slogging through the Mud* (September 2010)
- *Putting the Pieces Back Together* (April 2010)

### Financial Technology Focus

- *Steady as she Goes* (October 2012)
- *Who is Buying (or Not Buying) What...* (December 2011)
- *Convergence: Servicing the Trader, PM and Back Office* (April 2011)
- *Out of the Frying Pan and into Regulatory Reform* (September 2010)

### Securities Industry Reports

- *Consolidation as a Recipe for Growth* (June 2013)
- *Light Through the Trees* (June 2012)
- *Post-Crisis: A Rapidly Changing Environment* (October 2011)
- *Filling the Void in the Middle Market* (January 2011)
- *Securities at Major Inflection Point* (March 2009)



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