Issue 25
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New York

Asset Management Focus
Freeman & Co. LLC

Inside this Issue:

Market Data as of 4/30/2013

DJIA	14,840
NASDAQ	3,329
S&P 500	1,598
FTSE 100	6,430
10-yr US T-Bond	1.67%
USD per GBP	$1.55
USD per Euro	$1.31

Changes Ahead

The current market environment is challenging. However, with the stock market on a steady climb, we are seeing more and more franchises willing to take risks in this uncertain, but improving economic environment. Asset management M&A activity increased 22% in 2012, and is currently on track to increase another 12% in 2013. In this low interest rate environment, we are seeing many traditional and alternative asset managers exploring new opportunities to capture growth.

Performance as of April 30, 2013

	YTD	1 Yr	3 Yr (Ann)	5 Yr (Ann)
S&P 500 (TR)	12.7%	16.9%	12.8%	5.2%
Dow Jones	14.1%	15.4%	13.5%	5.9%
FTSE 100	10.6%	17.0%	9.4%	5.5%
HFRI*	4.4%	6.6%	3.8%	2.8%

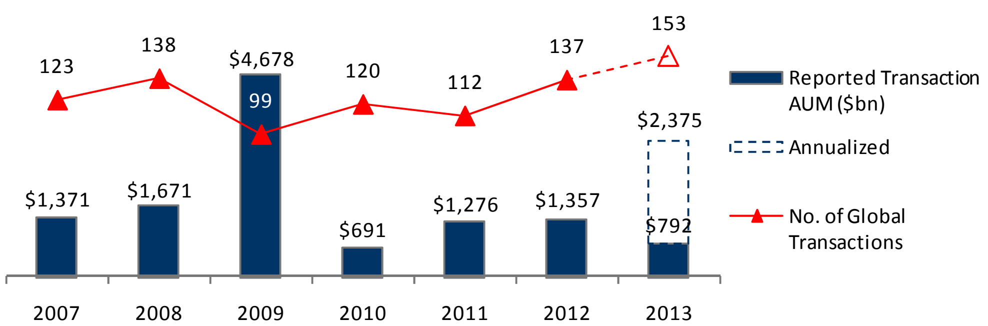
**HFRI Fund Weighted Composite Index*

Transaction Activity: At 51 transactions through April 30 (or 153 annualized), 2013 is on track to be the second year of double-digit increases in M&A activity. As of April, this represented a 12% annualized increase over 2012. In 2012, global deal activity included 137 transactions, a 22% increase over 2011.

Outsourced CIOs: Institutional demand for outsourcing is accelerating. Addressing solutions-based needs is a top-priority among leading asset managers. Successful firms will address theme-based approaches crossing multiple product segments and enhanced customization for institutional investors.

Alternatives for the Retail Market: Retail alternative products have experienced tremendous tailwinds in recent years, from both an investor demand perspective and from traditional and alternative managers eager to supply product. In the last six months traditional managers such as Franklin Templeton, Fidelity and Oppenheimer partnered with alternatives firms in order to create new products. Alternative firms, including KKR, Carlyle, Apollo and Blackstone, have also recently launched products targeting mass affluent investors. Going forward we expect to see much more M&A activity in this area as large firms race to fulfill the open opportunity in this space.

Global Asset Management Transactions as of April 30, 2013 [1]



[1] *All transaction statistics reflect deals with reported AUM > $500mm as of 4/30/2013*

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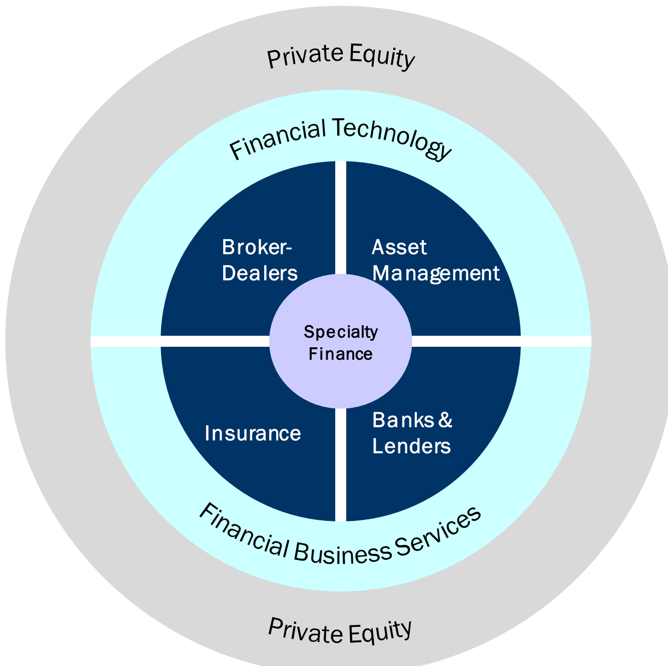

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Global Deal Activity

Global Deal Volume

In 2012, global deal activity included 137 transactions, a 22% increase over 2011. At 51 transactions to date (or 153 annualized), 2013 is on track to be the second year of double-digit increases in M&A activity. As of April, this represented a 12% annualized increase over 2012.

The growth in global transaction volume is attributable to a focus on strategic deals that expand product capabilities and/or geographic reach. Sales on behalf of independent firms comprised a slightly greater share of overall M&A activity in 2013, as opposed to corporate divestures that were more prevalent in 2011 and 2012, with the exception of transactions in Europe.

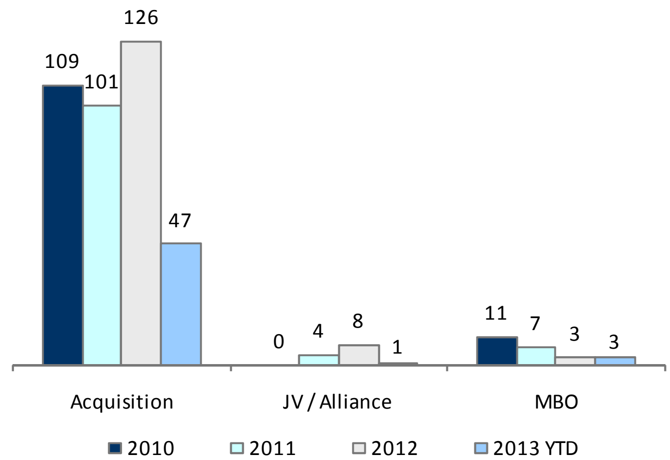
Regional M&A Activity

In the US, deal activity to date included 29 transactions, a 26% increase from 23 in the same period of 2012. We expect activity to remain active through the remainder of 2013 as US firms seek to tackle convergence in traditional and alternative asset classes as well as building out global and international product capabilities.

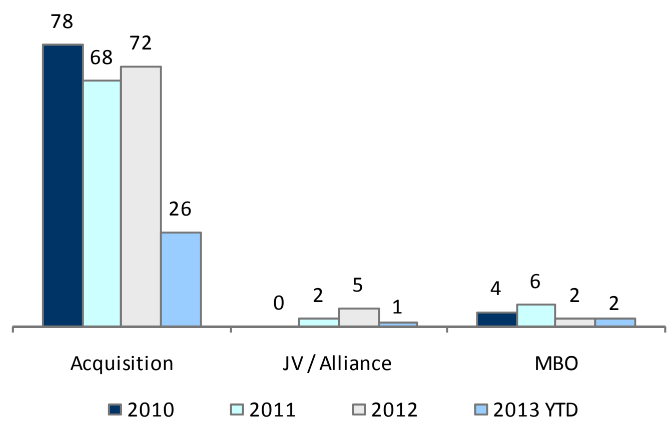
M&A activity in Europe increased slightly in 2012, reaching 43 transactions involving European-based targets or acquirers. In 2013, with 20 transactions announced to date, this represents an annualized increase of 40% over 2012.

Transatlantic deals have picked up in 2013, as the trend of exiting non-core assets is particularly relevant to Europe, with Credit Suisse selling its ETF business to BlackRock in the beginning of 2013 as well as BNP Paribas selling its fund of hedge funds business, Fauchier Partners, to Legg Mason at the end of 2012.

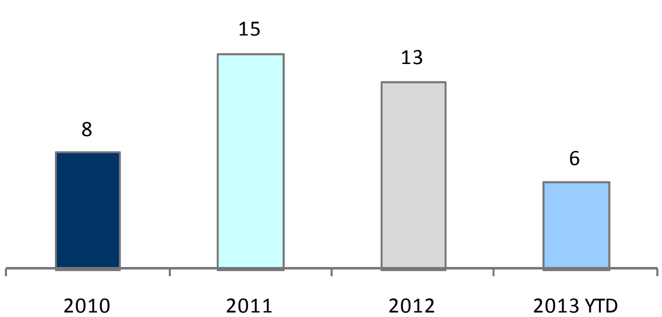
No. of Global Asset Management Transactions



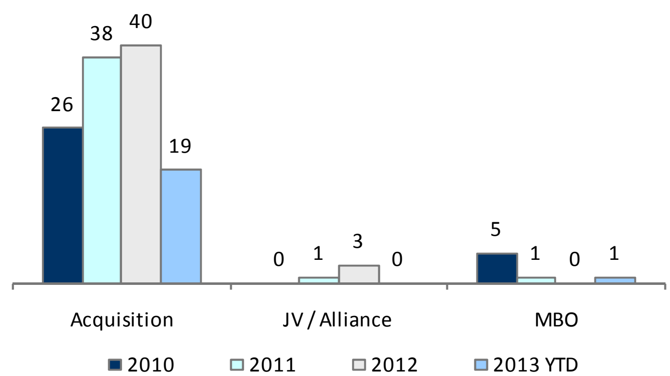
No. of Transactions Involving US Firms



No. of Transatlantic Transactions (US & Europe)



No. of Transactions Involving European Firms



Note: All transaction statistics reflect deals with reported AUM > $500mm; YTD as of 4/30/2013

Source: Freeman & Co. Research

Transaction Detail

Deal Highlights

In 2012, we saw a number of large diversified asset managers acquire fund of hedge fund businesses, including:

- Man Group's acquisition of FRM ($8 billion AUM)
- KKR's acquisition of Prisma Capital ($8 billion AUM)
- Franklin Templeton's acquisition of K2 Advisors ($9 billion AUM)
- Legg Mason's acquisition of Fauchier Partners ($6 billion AUM)
- Wells Fargo's minority investment in Rock Creek Group ($7 billion AUM)

These transactions represent two industry-wide themes around convergence in alternatives, with traditional managers seeking to package alternative strategies into products that can be distributed to HNW and mass affluent clients and large alternative managers seeking to offer a breadth of alternative products to institutional investors.

The first four months of 2013 included robust deal activity among global asset managers, marked by the announcement of two large transactions in the first quarter:

- ORIX's acquisition of Robeco Groep ($251 billion AUM)
- MetLife's acquisition of AFP Provida, a Chilean Pension Fund provider ($45 billion AUM)

Wealth Management continued to be a major theme in 2013, as Schroders acquired Cazenove Capital with $26 billion under management, CIBC acquired Atlantic Trust's Wealth Management unit with $20 billion under management, and Credit Suisse acquired Morgan Stanley's European Wealth Management business with $13 billion under management.

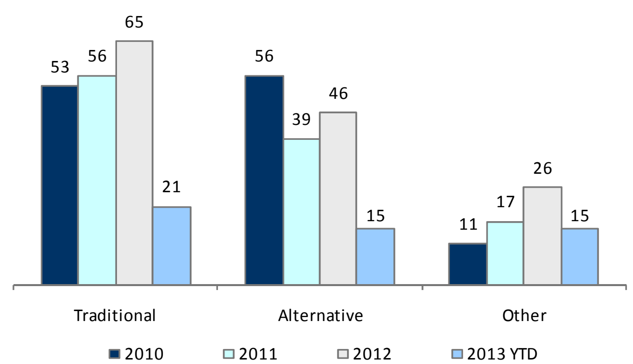
Top 10 Asset Manager Transactions (Jan – Apr 2013)

#	Target	Acquirer	% Acquired	AUM ($mm)
1.	Robeco Groep	ORIX Corp	90%	$251,000
2.	Investec Asset Management	Management	15%	105,000
3.	AFP Provida	MetLife	100%	45,300
4.	AXA Private Equity	Management & Investor Group	100%	31,000
5.	Cazenove Capital	Schroders	100%	26,440
6.	Victory Capital Management	Crestview Partners & Management	100%	22,100
7.	Atlantic Trust Private Wealth Management	CIBC	100%	20,000
8.	Credit Suisse ETFs	BlackRock	100%	17,599
9.	Artio Global Investors	Aberdeen Asset Management	100%	14,300
10.	Morgan Stanley European Wealth Management	Credit Suisse	100%	13,000
			Top 10	**$545,739**
			Total	**$791,550**
			% of Total	**69%**

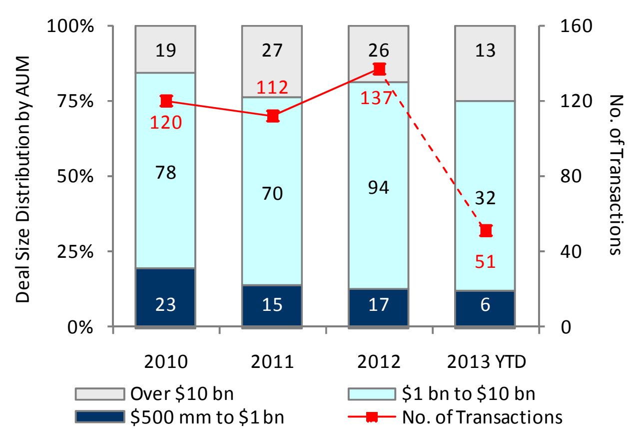
Top 10 Asset Manager Transactions (2012)

#	Target	Acquirer	% Acquired	AUM ($mm)
1.	Janus Capital	Dai-ichi Life	20%	$152,400
2.	TCW Group	The Carlyle Group & TCW Management	100%	130,000
3.	Bridgewater Associates	Texas Teacher Pension	Minority	120,000
4.	Dexia Asset Management	GCS Capital	100%	105,000
5.	Merrill Lynch International Wealth Management	Julius Baer	100%	84,000
6.	Pareto Investment Management	Insight Investment Management	100%	43,400
7.	Dwight Asset Management	Goldman Sachs Asset Management	100%	42,000
8.	Toyota Asset Management	Mitsui Sumitomo Insurance	50%	35,000
9.	Rockefeller Financial Services	RIT Capital Partners	37%	34,000
10.	Clifton Group Asset Management	Eaton Vance	100%	33,400
			Top 10	**$779,200**
			Total	**$1,357,001**
			% of Total	**57%**

Transactions by Company Type [1]



Transaction Size



Note: All transaction statistics reflect deals with reported AUM >$500mm; YTD as of 4/30/2013
[1] Other includes consolidators, private banks, trust companies, data providers and administrators

Source: Freeman & Co. Research

The Asset Management Landscape is Evolving

Nearly five years after the market crash in 2008, asset levels have surpassed pre-crisis levels in most developed markets. Unlike the previous market crash in 2002, when returns were supplemented by 3 – 5% annual net inflows, this time net inflows remained flat or slightly negative across most traditional asset classes, up until the recent equity market run in the first quarter of 2013.

As a result many firms are seeking to evolve and grow through new products, regions and approaches in serving an increasingly complex set of client needs. Last year global M&A activity increased 22%. This year we expect another double-digit increase as firms adapt to a changing landscape.

High-Demand Growth Areas in 2013
✓ Alternatives
✓ Global and international strategies
✓ Passive investments
✓ Retail alternatives
✓ Solutions

Theme	Description
Search for growth	Alternatives, solutions and passive investments (ETFs) represent the fastest three growing areas in asset management right now • M&A interest in alternatives and solutions-oriented businesses is increasing, with firms seeking to acquire capabilities, gaining immediate market presence and scale • For passive investment strategies, industry growth is concentrated among a few top players, competing for scale and lower fees - Future M&A activity will include divestitures of larger stable businesses experiencing stagnant growth, consolidation by leading participants, and fewer de novo transactions
Solutions	Addressing solutions-based needs is a top-priority among leading asset managers • Successful firms address theme-based approaches crossing multiple product segments and enhanced customization for institutional investors
Institutional investors – Focus on outcomes	Institutional investors are placing greater emphasis on outcome-oriented solutions, with many defined benefit plans facing worsening plan deficits • Increasing use of outsourcing as alternatives strategies and global/international managers fulfill a greater role in institutional investment portfolios • Focus on measured results as opposed to alpha / absolute returns
Retail investors – Importance of scale	Scale is becoming more important in the U.S. retail market, where the top 10 firms manage more than 50% of total assets • Key drivers include an increasing power of brand and distribution, increasing cost of distribution, and fee pressures among traditional products • Retail alternatives grew at a 24% CAGR over the last two years and are expected to double again within the next five years
Convergence in Alternatives	A growing mass-affluent population has many firms seeking new ways to access the retail and HNW investor • For traditional managers, this presents an opportunity to offer new products through existing channels at a higher rate - In the last six months, Fidelity, Franklin Templeton and Oppenheimer each partnered with alternative managers to acquire new products • For alternative managers, this presents an opportunity to access new markets and a wide range of potential new investors - Apollo, Blackstone, Carlyle, and KKR are some of the recent firms launching products with low minimum investments or packaged alternative strategies available for distribution to mass affluent and retail clients

The Outsourced CIO Solution

The solutions industry has had the good fortune of experiencing tremendous growth in recent years. Institutional demand for outsourcing is accelerating, with growth being driven by a number of factors.

The current market environment is challenging:
- Interest rates remain at historic lows
- Alternatives are fulfilling a more important role in portfolios
- Liability driven investing expertise is becoming critical
- Costs and expertise required to manage an investment portfolio have risen dramatically

Low market returns in prior years have driven many pensions, endowments and foundations to review their investment processes. Demand for customization has institutions seeking outsourcing to meet a specific set of needs. These can range in risk tolerance, with pensions seeking liability matching versus growth-seeking endowments on different ends of the spectrum. Outsourced CIOs continue gaining market share due to their ability to provide a holistic investment experience.

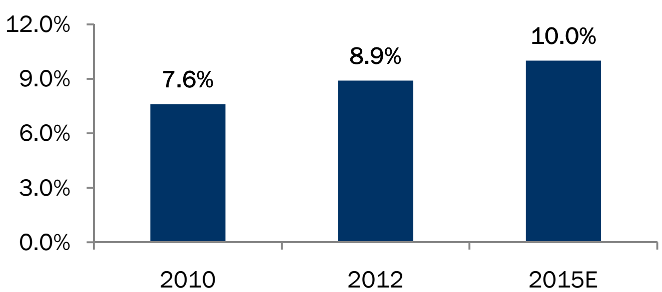
The Outsourced CIO Solution

Outsourced CIOs offer a hybrid solution to investment consultants and manager of manager investing. Outsourced CIOs are typically given full and broad discretion over at least a portion of the client's portfolio. Performance track records are maintained at the outsourced CIO level, making it easier to track results. Teams typically have strong expertise in alternatives and invest heavily across multiple alternative asset classes. As a result, fees are moderately higher than consulting fees on average and often have a performance-based component.

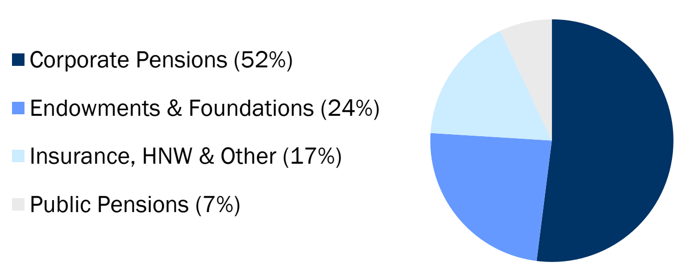
Fund of Fund and Manager of Manager Investing		Investment Consulting
Product focused with manager research as value-add		Recommends asset allocation and manager selection
No advice	Outsourced CIO as a Hybrid Solution	Advice only
Built with active products		No proprietary investment products
Investment track records		No investment track records
Asset-based fees		Primarily retainer and project based fees

Outsourced CIOs serve a wide range of clients including pensions, endowments, foundations, insurance and high net worth / ultra high net worth individuals. While corporate pensions represent 52% of the current client base, future growth is expected to come from small and mid-sized endowments and foundations as well as firms specializing in catering to high net worth individuals and families.

Total OCIO Market Share (vs. Internal)



Current Client Base for OCIOs



Sources: aiCIO magazine outsource CIO survey, Casey Quirk

The Outsourced CIO Solution

Recent Growth Trends

The outsourced CIO market has grown substantially, from $491 billion AUM in 2007 to $1.2 trillion AUM in 2012 (a 19.1% 5-yr CAGR). Industry-wide acceptance has resulted in a more than tripling of the number of fully discretionary clients over the past 5 years.

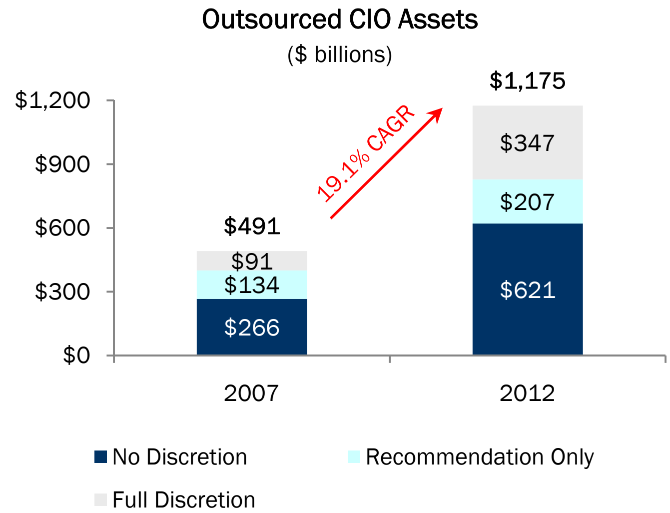
Growth is being driven by demand for alternatives expertise and a focus on absolute performance. The current low return environment has forced smaller institutions to seek external solutions. In-house expertise is expensive, and outsourced solutions provide the comfort of a brand.

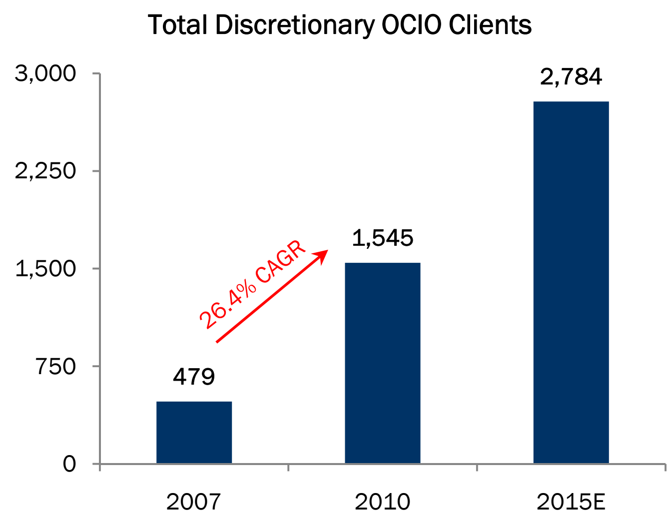
Demand for outsourced CIO services is expected to continue to grow over the next five years, with the number of fully discretionary clients doubling again by 2015, according to recent analyst estimates.

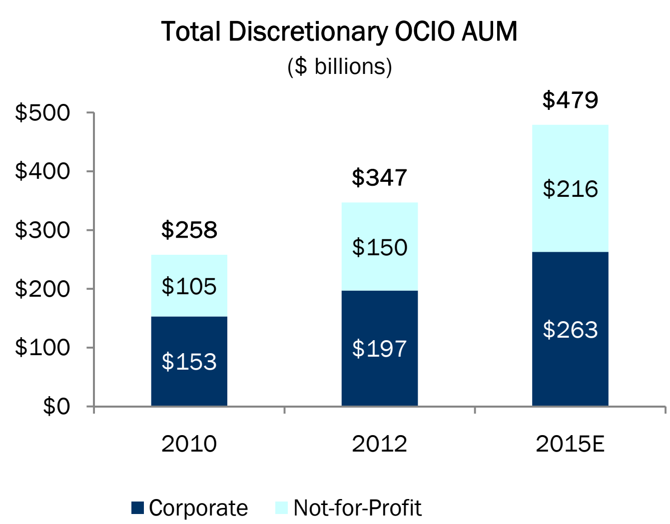
M&A activity in this space is in its early stages, with a few private equity transactions occurring to date. Many firms have chosen to build teams by focusing on organic growth, while other large alternatives franchises are known to be looking in this space.

Recent transactions include:

- **Estancia**'s acquisition of a minority stake in **Spruce Private Investors** ($3bn AUM) (October 2012)
- **Stone Point Capital**'s acquisition of a minority stake in **SCS Financial** ($9bn AUM) (October 2012)
- **Friedman, Fleischer & Lowe**'s acquisition of a majority stake in **Strategic Investment Group** ($30bn AUM) (August 2012)
- **Lincoln Peak Capital**'s acquisition of a minority stake in **BBR Partners** ($5bn AUM) (October 2010)







Sources: aiCIO magazine outsource CIO survey, Casey Quirk, McKinsey

Alternatives for the Retail Market

Retail alternative products have experienced tremendous tailwinds in recent years, from both an investor demand perspective and from traditional and alternative managers eager to supply product.

Key industry growth figures include:

- Retail alternative assets grew at 24% CAGR over the last two years, and experienced positive net inflows over the four quarters in 2012
- Currently, alternatives represent 1.62% of all mutual fund assets (excluding money market funds) and 11.4% of all ETF assets
- Some analysts expect alternatives to represent up to a quarter of all retail revenues by 2015

Drivers for Alternative Managers

The role of the alternative investment manager of manager is currently in flux. While alternatives are placing a greater role in institutional investment portfolios, this has manifested itself in different ways. Large endowments and foundations are increasingly investing directly with managers or bringing management in-house. Public and corporate defined benefit plans have chosen to focus on liability matching, with new investments in alternative products flat in recent years. At the other end of the spectrum, some large corporates have elected to outsource all or a large portion of their alternative investments to one provider.

With new clients and commitments becoming increasingly challenging to access, firms are getting more serious about addressing the individual retirement plan market. 401(k) and 403(b) retirement plans are growing, accumulating $4.4 trillion in assets to date. Retail and mass affluent investors in these plans have limited or no access to conventional alternative products, making this a green field opportunity to access a large number of potential new investors.

Drivers for Traditional Managers

While traditional managers are experiencing fee pressures in their existing core mutual funds and ETFs, fees for retail alternative products can generate up to two or three times more revenue than traditional products. Asset managers with existing retail distribution and presence in the 401(k) market are now looking to new alternative products as a source of potentially higher margins, revenue diversification and new fund flows.

Recent Activity

Alternative firms, including KKR, Carlyle, Apollo and Blackstone, have all recently filed for or have launched products targeting mass affluent and retail investors. While Carlyle stuck to a traditional private equity fund with a lower minimum investment, other firms have packaged strategies into products available on retail distribution channels.

Blackstone	KKR	The Carlyle Group	Apollo
Liquid Hedge Funds	Credit Funds $2,500 Minimum	Traditional PE $50,000 Minimum	Credit Funds ~$3,000 Minimum

In the last six months alone, Franklin Templeton, Fidelity and Oppenheimer partnered with alternatives firms in order to create new products to distribute through existing channels. Franklin Templeton and Oppenheimer entered the market by way of acquisition, acquiring majority positions in K2 Advisors (a $9.3 billion fund of funds manager) and Steel Path (a $2.6 billion MLP Specialist). Fidelity's arrangement with Arden can be described as a mutual fund launched in partnership. Going forward we expect to see much more M&A activity in this area as large traditional firms race to fulfill the open opportunity in this space.

Franklin Templeton Investments	Fidelity Investments	OppenheimerFunds
K2 Advisors Fund of Hedge Funds	Arden Asset Management Fund of Hedge Funds	Steel Path MLP Specialist

Sources: Morningstar, Public Press Releases

Public Company Trading Statistics – Stock Price Performance

Stock Prices

In the first four months of 2013 the stock market rallied to record highs as the economy continues to show signs of growth. Despite continued uncertainty in the global economy, the stock market and asset managers in general have experienced steady growth since June 2012. On a last-twelve-months basis, the S&P 500 gained 14.3%, while equally weighted indexes of traditional and alternative managers outperformed the market with returns of 27.0% and 41.4%, respectively.

Top 5 Performers	Stock Prices						YOY %
	5/1/2012		12/31/2012		4/30/2013		Change
Virtus Investment Partners	$	84.40	$	120.94	$	191.00	126.3%
Apollo Global Management	$	12.91	$	17.36	$	26.92	108.5%
Fortress Investment Group	£	3.73	£	4.39	£	6.44	72.7%
Schroders	£	14.37	£	16.86	£	23.35	62.5%
Polar Capital Holdings	$	2.08	$	2.08	$	3.36	61.6%

While both alternative and traditional asset managers outperformed the market, alternative managers posted larger gains. As the market continues to improve, alternative managers stand to reap a greater benefit from economic improvement through performance fees. With growing employment and a majority of companies beating earnings estimates, asset managers with strong performing products and high revenue diversification will continue to trade at higher multiples.

Bottom 5 Performers	Stock Prices						YOY %
	5/1/2012		12/31/2012		4/30/2013		Change
Ashmore Group	£	3.82	£	3.59	£	3.99	4.4%
Federated Investors	$	22.35	$	20.23	$	22.96	2.7%
Charlemagne Capital Limited	£	0.11	£	0.09	£	0.11	0.0%
Calamos Asset Management	$	12.75	$	10.57	$	11.35	-11.0%
Artio Global Investors	$	3.73	$	1.90	$	2.74	-26.5%

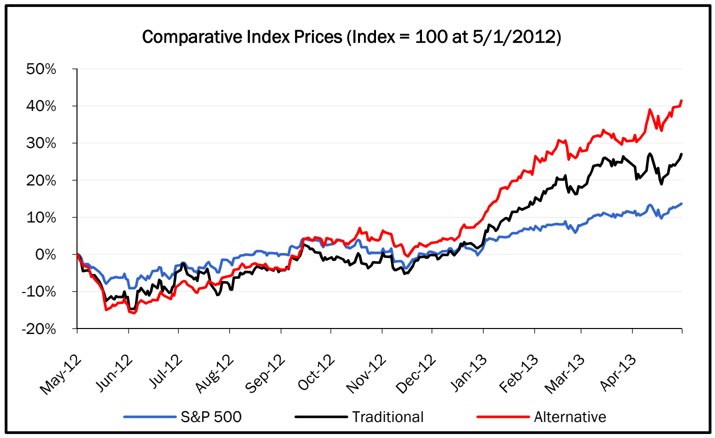
IPO Activity

2013 saw the IPO of Artisan Partners, which initially planned to go public in 2011, but withdrew citing unfavorable market conditions. Units to public investors were offered at $35.20, above the higher end of its expected range of $30 and have traded above the offering price since the IPO. Its first-day gain of 29% was the best in the last 15 years for pure-play asset managers. Other firms, including Apollo, Oaktree, and Silvercrest Asset Management, also announced public offerings this spring.

This reverses the trend set by Manning & Napier in 2011, which faced flat IPO performance initially but has since recovered, and Silvercrest Asset Management, which withdrew its first IPO attempt in November 2012.

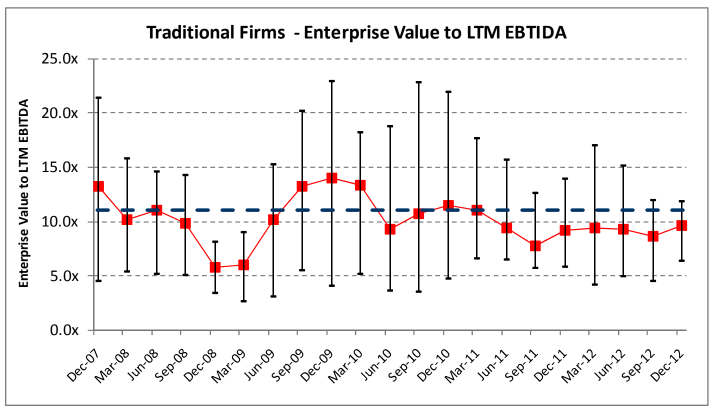
EBITDA Multiples

Valuations rose modestly through the first quarter of 2013, as evidenced by the multiples of firms' current enterprise value to last twelve months (LTM) EBITDA. Traditional managers' multiples grew to 9.7x, but they continue to lag their historical average of 11.1x, while alternative managers traded above their historical average.



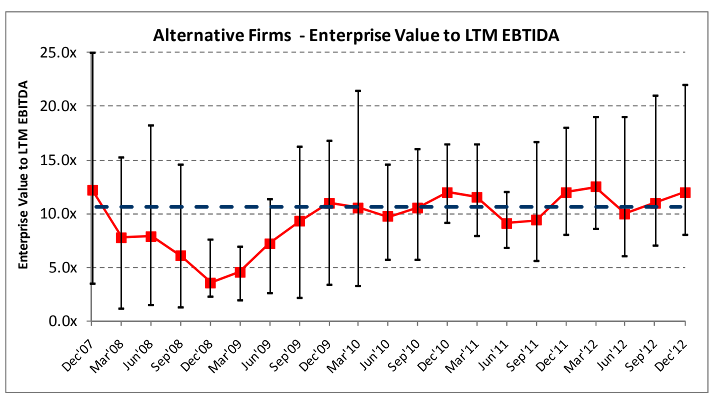
Traditional Index: Artio, BlackRock, Calamos, Cohen & Steers, Eaton Vance, Federated Investors, Franklin Resources, GAMCO, Invesco, Janus, Legg Mason, Manning & Napier, Pzena, Schroders, SEI Investments, T. Rowe Price, Waddell & Reed, Virtus
Alternative Index: Apollo, Ashmore, Blackstone, Carlyle, Charlemagne, Fortress, KKR, Man Group, Oaktree, Och-Ziff, Partners Group, Polar Capital
Note: The above are all equally weighted indexes

Source: Capital IQ



Traditional Firms: Artio, BlackRock, Calamos, Cohen & Steers, Eaton Vance, Federated Investors, Franklin Resources, GAMCO, Invesco, Janus, Legg Mason, Manning & Napier, Pzena, Schroders, SEI Investments, T. Rowe Price, Waddell & Reed, Virtus

Source: Publicly available SEC filings, Capital IQ, Freeman & Co.



Alternative Firms: Apollo, Ashmore, Blackstone, Carlyle, Charlemagne, Fortress, KKR, Man Group, Oaktree, Och-Ziff, Partners Group, Polar Capital

Source: Publicly available SEC filings, Capital IQ, Freeman & Co.

Public Company Trading Statistics – US Money Managers

(All figures in millions, except for per share data or unless otherwise noted)

	AUM	Share Price	52 Week Range		% of 52	Market Value ($mn)		LTM Financials[1] ($mn)			EV / Revenue			EV / EBITDA			Price / Earnings	
	($bn)	4/30/2013	Low	High	Week High	Equity Value	Ent. Value[2]	Revenue	EBITDA[3]	EV / AUM	LTM	2013	2014	LTM	2013	2014	2013	2014
Traditional and diversified managers																		
BlackRock	$3,792	$ 266.50	$160.25	$269.81	99%	$46,684	$47,998	$ 9,337	$ 4,018	1.3%	5.1x	4.7x	4.3x	11.9x	11.0x	9.8x	16.6x	14.7x
Franklin Resources	782	154.66	100.91	158.25	98%	32,757	29,000	7,301	2,955	3.7	4.0	3.5	3.2	9.8	8.8	7.6	14.7	13.4
Invesco	688	31.74	20.49	31.97	99%	14,321	14,676	4,177	1,235	2.1	3.5	3.1	2.8	11.9	11.0	9.7	15.0	13.0
Legg Mason	649	31.86	22.36	32.59	98%	4,191	4,401	2,593	422	0.7	1.7	1.6	1.6	10.4	9.5	NA	17.7	14.0
T. Rowe Price Group	577	72.50	54.47	77.14	94%	18,995	18,116	3,023	1,516	3.1	6.0	5.2	4.7	11.9	10.5	9.4	18.6	16.6
Federated Investors	380	22.96	18.28	25.32	91%	2,305	2,564	946	333	0.7	2.7	2.6	2.4	7.7	8.6	7.9	13.5	12.3
Eaton Vance	248	39.88	22.97	42.18	95%	4,750	5,100	1,232	484	2.1	4.1	3.6	3.3	10.5	10.2	9.4	17.9	16.2
Janus Capital Group	157	8.92	6.64	10.18	88%	1,656	1,875	850	260	1.2	2.2	2.1	2.0	7.2	7.0	6.5	13.8	12.1
Waddell & Reed	96	42.87	26.55	44.62	96%	3,664	3,526	1,174	327	3.7	3.0	2.6	2.4	10.8	9.2	8.1	15.9	13.9
Cohen & Steers	46	39.51	26.84	40.04	99%	1,763	1,720	274	110	3.8	6.3	5.6	4.8	15.7	13.6	12.1	22.1	18.7
Virtus Investment Partners	46	191.00	69.00	194.70	98%	1,497	1,452	280	72	3.2	5.2	3.8	3.1	20.2	NA	NA	23.9	19.3
Manning & Napier	45	17.51	11.49	17.70	99%	1,724	1,619	339	157	3.6	4.8	4.3	3.9	10.3	9.4	8.5	14.8	13.3
GAMCO Investors	36	52.50	38.69	57.98	91%	1,381	1,410	344	134	3.9	4.1	3.2	3.0	10.5	8.8	8.7	13.6	13.2
Calamos Asset Management	31	11.35	9.24	13.08	87%	1,068	1,074	327	152	3.5	3.3	3.8	3.8	7.0	10.8	11.0	16.7	16.6
Pzena Investment Management	17	6.34	3.68	7.19	88%	415	426	76	37	2.5	5.6	4.8	4.3	11.7	9.5	8.0	17.1	14.6
Min										**0.7**	**1.7**	**1.6**	**1.6**	**7.0**	**7.0**	**6.5**	**13.5**	**12.1**
Median										**3.1**	**4.1**	**3.6**	**3.2**	**10.5**	**9.5**	**8.7**	**16.6**	**14.0**
Max										**3.9**	**6.3**	**5.6**	**4.8**	**20.2**	**13.6**	**12.1**	**23.9**	**19.3**
Alternative managers																		
Blackstone Group	$ 210	$ 20.55	$ 11.13	$ 21.46	96%	$23,057	$24,022	$ 4,067	$ 2,285	11.4%	5.9x	4.8x	4.0x	10.5x	9.0x	7.9x	9.1x	7.6x
Carlyle Group	170	32.48	20.00	37.89	86%	9,890	10,209	2,044	772	6.0	5.0	3.9	3.7	13.2	8.5	8.1	10.5	9.7
Apollo Global Management	113	26.92	10.42	27.56	98%	10,453	10,245	2,860	1,696	9.1	3.6	3.8	4.0	6.0	6.4	7.0	8.0	8.6
Oaktree Capital Group	77	51.92	34.00	53.55	97%	7,812	7,969	1,411	763	10.3	5.6	4.3	4.6	10.2	7.7	8.8	9.7	11.0
KKR & Co.	76	21.00	11.03	21.60	97%	14,422	13,690	3,223	2,177	18.1	4.2	5.1	5.3	6.3	6.9	7.2	8.4	8.8
Fortress Investment Group	53	6.44	2.86	6.99	92%	3,563	3,608	757	278	6.8	4.8	4.1	3.7	13.0	9.0	9.2	9.8	8.5
Och-Ziff Capital Management	33	10.26	6.56	10.87	94%	4,658	4,884	1,062	700	15.0	4.6	3.9	3.6	7.0	6.1	6.0	8.2	7.6
Min										**6.0**	**3.6**	**3.8**	**3.6**	**6.0**	**6.1**	**6.0**	**8.0**	**7.6**
Median										**10.3**	**4.8**	**4.1**	**4.0**	**10.2**	**7.7**	**7.9**	**9.1**	**8.6**
Max										**18.1**	**5.9**	**5.1**	**5.3**	**13.2**	**9.0**	**9.2**	**10.5**	**11.0**
Holding companies / MLPs																		
Affiliated Managers Group	$ 432	$155.68	$ 94.32	$157.02	99%	$ 8,344	$10,979	$ 1,806	$ 543	2.5%	6.1x	5.0x	4.3x	20.2x	13.7x	11.9x	16.6x	14.4x
AllianceBernstein Holding	430	23.69	11.44	24.15	98%	6,577	6,273	2,260	507	1.5	2.8	2.1	2.0	12.4	11.0	10.7	15.4	13.6
Min										**1.5**	**2.8**	**2.1**	**2.0**	**12.4**	**11.0**	**10.7**	**15.4**	**13.6**
Median										**2.0**	**4.4**	**3.5**	**3.1**	**16.3**	**12.4**	**11.3**	**16.0**	**14.0**
Max										**2.5**	**6.1**	**5.0**	**4.3**	**20.2**	**13.7**	**11.9**	**16.6**	**14.4**

Source: Publicly available SEC filings, CapIQ and Bloomberg

Note: All figures have been adjusted for extraordinary and non-recurring items

(1) Financial data as of 12/31/2012, except for Eaton Vance (1/31/2013)

(2) Enterprise Value calculated as Equity Value plus Minority Interest and Net Debt (Total Debt less Cash & Cash Equivalents)

(3) Alternative Manager EBITDA and EPS figures reflect economic earnings

Public Company Trading Statistics – European Money Managers

(All figures in millions, except for per share data or unless otherwise noted)

	AUM	Share Price	Market Value (mn)		LTM Financials[1] (mn)			EV / Revenue			EV / EBITDA			Price / Earnings	
Company Name	**(£ bn)**	**4/30/2013**	**Equity Value**	**Ent. Value[2]**	**Revenue**	**EBITDA**	**EV / AUM**	**LTM**	**2013**	**2014**	**LTM**	**2013**	**2014**	**2013**	**2014**
Traditional managers															
Schroders	£212.0	£23.35	£6,351.5	£5,554.0	£1,134.9	£375.0	2.6%	4.9x	4.2x	3.7x	14.8x	12.4x	10.4x	18.4x	15.7x
Aberdeen Asset Management	£212.3	£4.49	5,188.6	5,082.5	972.1	361.0	2.4%	5.2	4.6	4.1	14.1	10.2	9.0	14.6	12.7
F&C Asset Management	£95.2	£0.98	537.8	646.6	243.5	60.5	0.7%	2.7	2.5	2.4	10.7	6.2	5.9	9.2	8.0
Henderson Group	£65.6	£1.65	1,727.4	1,679.6	437.8	153.1	2.6%	3.8	3.4	3.2	11.0	8.5	7.7	12.3	11.2
Jupiter Fund Management	£26.3	£3.31	1,303.2	1,233.5	244.5	117.2	4.7%	5.0	4.0	3.7	10.5	7.8	7.2	12.4	11.1
Average							**2.6%**	**4.3**	**3.7**	**3.4**	**12.2**	**9.0**	**8.0**	**13.4**	**11.7**
Median							**2.6%**	**4.9**	**4.0**	**3.7**	**11.0**	**8.5**	**7.7**	**12.4**	**11.2**
Alternative managers															
GAM Holding AG	£78.1	£16.40	£2,699.7	£2,195.7	£410.9	£139.9	2.8%	5.3x	3.4x	3.1x	15.7x	NA	NA	13.7x	12.1x
Ashmore Group	£43.7	£3.99	2,672.0	2,359.1	316.0	237.5	5.4%	7.5	6.8	6.0	9.9	9.4	8.3	15.1	13.5
MAN Group	£35.1	£1.02	1,820.2	1,302.6	863.4	340.0	3.7%	1.5	1.2	1.1	3.8	4.0	3.3	11.5	7.2
Partners Group	£23.7	CHF 238.5	CHF 6,077.3	CHF 5,843.5	CHF 447.1	CHF 272.1	16.6%	NM	NM	9.6	21.5	17.9	15.2	20.6	17.6
Intermediate Capital	£12.9	£4.22	1,698.3	2,817.5	370.4	146.7	NM	7.6	8.3	9.9	19.2	16.7	15.7	10.7	10.1
3i Group	£12.9	£3.29	3,083.7	3,452.7	546.0	301.0	NM	6.3	6.1	6.0	11.5	8.8	8.5	8.3	8.0
Polar Capital Holdings	£3.3	£3.36	270.4	249.5	36.7	10.7	7.6%	6.8	3.9	3.2	23.3	11.0	8.3	17.9	13.5
Average							**6.2%**	**5.1**	**4.9**	**5.6**	**15.0**	**11.3**	**9.9**	**14.7**	**11.8**
Median							**4.6%**	**6.3**	**5.0**	**6.0**	**15.7**	**10.2**	**8.4**	**14.4**	**12.4**
High							**16.6%**	**7.6**	**8.3**	**9.9**	**23.3**	**17.9**	**15.7**	**20.6**	**17.6**
Average							**4.6%**	**4.8**	**4.4**	**4.7**	**13.8**	**10.2**	**9.0**	**14.2**	**11.8**
Median							**2.8%**	**5.1**	**4.0**	**3.7**	**12.8**	**9.4**	**8.3**	**13.7**	**12.1**
Low							**0.7%**	**0.9**	**1.2**	**1.1**	**3.8**	**4.0**	**3.3**	**8.3**	**7.2**

Source: Publicly available company filings, CapIQ, and Bloomberg

Note: All figures have been adjusted for extraordinary and non-recurring items

(1) Aberdeen, 3i Group and Intermediate Capital as of 3/31/2013; Polar Capital as of 9/30/2012; all others as of 12/31/2012

(2) Enterprise Value calculated as Equity Value plus Minority Interest and Net Debt (Total Debt less Cash & Cash Equivalents)

Select Freeman & Co. Asset Management Transactions

$3.3 billion AUM
altegris
a wholly owned subsidiary of
Genworth Financial
has been acquired by
AQUILINE GENSTAR
Financial advisor to the Altegris management team
Pending
Freeman & Co. Securities LLC

$6 billion AUM
FAUCHIER PARTNERS
a subsidiary of
BNP PARIBAS
has been acquired by
LEGG MASON GLOBAL ASSET MANAGEMENT
Exclusive financial advisor to BNP Paribas
March 2013
Freeman & Co. Securities LLC

LGT
has acquired
CLERESTORY® Capital Partners, LLC
Exclusive financial advisor to LGT Capital Partners
December 2012
Freeman & Co. Securities LLC

$3.0 billion AUM
EAGLE Asset Management
a subsidiary of
RAYMOND JAMES
has acquired a minority interest in
CLARIVEST ASSET MANAGEMENT LLC
Exclusive financial advisor to Eagle
December 2012
Freeman & Co. Securities LLC

$9.3 billion AUM
K2 ADVISORS
has sold a majority interest to
FRANKLIN TEMPLETON INVESTMENTS
Financial advisor to K2 Advisors
November 2012
Freeman & Co. Securities LLC

HAMILTON LANE
has acquired
SHOTT capital management
Financial advisor to Hamilton Lane
November 2012
Freeman & Co. Securities LLC

$2 billion AUM
Sasco Holdings, LLC
has sold a portion of its indirect interest in
PINNACLE ASSET MANAGEMENT L.P.
to an
Investor Group
Financial advisor to Sasco Holdings
May 2012
Freeman & Co. Securities LLC

$7 billion AUM
CLAYMORE ETFs
a wholly owned subsidiary of
GUGGENHEIM
has been sold to
BLACKROCK
Financial advisor to Guggenheim Partners and Claymore Investments
March 2012
Freeman & Co. Securities LLC

$2 billion AUM
altegris
has been acquired by
Genworth Financial
Financial advisor to Altegris Investments
December 2010
Freeman & Co. Securities LLC

$210,000,000
GSC GROUP
Senior Debt Restructuring
Financial advisor to the Creditor Committee
2009 – 2010
Freeman & Co. Securities LLC

$22 billion AUM
GUGGENHEIM
led investor group has acquired
Rydex Investments Essential for modern markets
SGI SECURITY GLOBAL INVESTORS
Financial advisor to Security Benefit Corporation, parent of Rydex SGI
July 2010
Freeman & Co. Securities LLC

GUGGENHEIM
has acquired the U.S. High Yield Fixed Income assets of
Halbis
HSBC Global Asset Management
Financial advisor to Guggenheim Partners,
February 2009
Freeman & Co. Securities LLC

$700 million AUM
KBC Alpha Asset Management
a hedge fund of funds division of
KBC
has been acquired by
PACIFIC ALTERNATIVE ASSET MANAGEMENT COMPANY
Financial advisor to KBC Financial Products
December 2008
Freeman & Co. Int. LLP

$7 billion AUM
GW&K Investment Management
a wholly owned subsidiary of
THE BANK OF NEW YORK MELLON
has been acquired by
AMG
Financial advisor to The Bank of New York Mellon
July 2008
Freeman & Co. Securities LLC

VALUE ASSET MANAGEMENT
has sold its minority stake in Grosvenor Capital Management back to the company
GROSVENOR CAPITAL MANAGEMENT, L.P.
Financial advisor to Value Asset Management
October 2007
Freeman & Co. Securities LLC

$5.5 billion AUM
K2 ADVISORS
has sold a minority interest to
TA Associates
Financial advisor to K2 Advisors LLC
April 2007
Freeman & Co. Securities LLC

$24 billion AUM
CERES
has completed an equity recapitalization by
Undisclosed Financial Sponsor
Financial advisor to Ceres Capital Partners
January 2007
Freeman & Co. Securities LLC

$1.7 billion AUM
LYRA
its holding company
URSA *and* STARVIEW
have been acquired by
CRÉDIT AGRICOLE STRUCTURED ASSET MANAGEMENT
Financial advisor to Ursa Capital
September 2006
Freeman & Co. Securities LLC

$8 billion AUM
LIGHTHOUSE PARTNERS
has been acquired for $625 million by
HFA holdings
Financial advisor to Lighthouse Investment Partners, LLC
November 2007
Freeman & Co. Securities LLC

$2.8 billion AUM
The BANK of NEW YORK.
has acquired
URDANG
Financial advisor to The Bank of New York
February 2006
Freeman & Co. Securities LLC

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