Issue 1

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Servicing, Processing & Technology
Freeman & Co. LLC

Inside this Issue:

Indices at October 10, 2008

DJIA	8,451
NASDAQ	1,650
S&P 500	899
FTSE 100	4,088
10-yr U.S. T-Bond	3.86%
USD per GBP	$1.71
USD per Euro	$1.34

Making Wall Street & Main Street Work

The financial Servicing, Processing & Technology ("SP&T") industry makes Wall Street and Main Street work: it provides the data, information, processing and tools that allows companies to provide the financial products we use every day. These include mutual funds, ETFs, 401(k) plans, stock quotes, news services, electronic bill payment, and CDOs (ok, no one uses CDOs now, but the rest are valid). Without the SP&T companies, Wall Street could not deliver its products and services to Main Street.

Sectors Covered: Our goal for this report is to create a fundamental framework for key features of the companies in SP&T that provide the infrastructure and support for the global financial services industry. The report examines five business sectors of the global financial services industry:

1. Ratings & Advice
2. Distribution & Intermediation
3. Fund Administration & Risk Management
4. Processing & Custody
5. Data, Information & Software

Product Growth Trends: We review the size and growth of numerous financial products that drive these SP&T businesses including mutual funds, ETFs, hedge funds, private equity and trading in equities, options and other derivatives. Annual growth rates in these product areas have ranged from 5% in equity trading, to 13% in mutual funds, to over 40% in options and derivative volumes. Other products such as CDOs have collapsed.

Business Model Analysis: We have provided an analysis of revenue mix by company and sector, as well as current and historical valuation levels. Current P/E multiples for the five sectors range from 19x to over 45x, pre-tax margins are from 13% up to 30%, and growth rates have been from 10% to 28%, which presents a wide range of opportunities for participants in these sectors.

M&A Framework: The sectors in SP&T offer a wide range of business opportunities for entrepreneurs, private equity investors and strategic buyers. The public firms we have highlighted have market caps ranging from $40 million to $77 billion. In addition, there are thousands of privately held firms, which are often the first innovators of new products and services, presenting excellent growth opportunities. Lastly, we review the level and type of M&A activity by sector.

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Overview

The financial services industry, broadly defined, has experienced strong secular growth over the past 15 years, which has fed the servicing, processing and technology companies that serve it.

This research paper defines five sectors that support the financial services industry and outlines a framework for business and revenue models, competition, growth prospects and private investing opportunities. (We expect to expand coverage over time to include additional sectors.)

The five sectors in this report include:

1. Ratings & Advice
2. Distribution & Intermediation
3. Fund Administration & Risk Management
4. Processing & Custody
5. Data, Information & Software

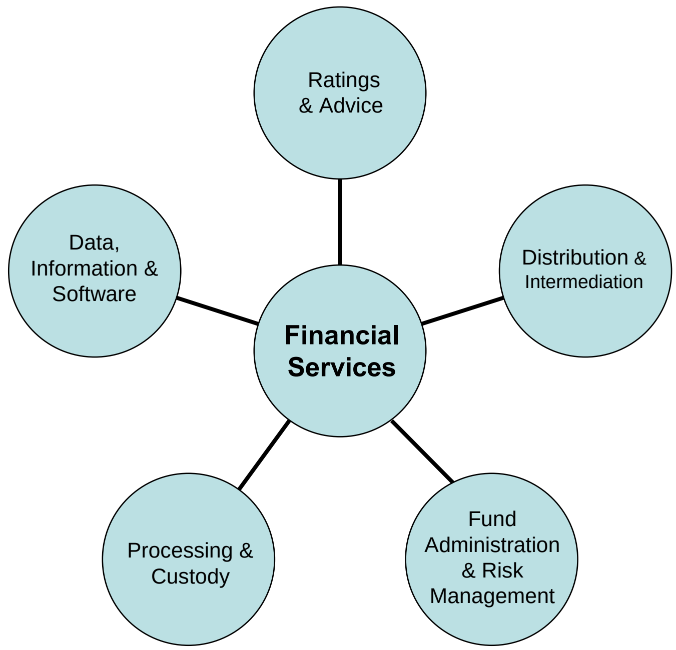
We believe that the companies providing services in these five sectors offer compelling opportunities due to the growth and innovation of financial products. However, the constant innovation in the industry (ETFs, hedge fund of funds, credit default swaps, CDOs, etc.) present challenges for well-established firms as well as newer entrants.

This dynamic creates several M&A discussions between entrepreneurial start-ups and larger firms seeking to capture emerging opportunities in these sectors, and it provides for a dynamic private equity environment for entrepreneurs.

There are several other sub-sectors that we have not addressed directly in this report (electronic bill payment, bank / check processing, insurance servicing), which we plan to cover in the future as we expand coverage.

Also, this report excludes the Trading Technology sector, which includes electronic trading firms and securities exchanges, as these sectors are addressed in our semi-annual *Securities Industry Focus* report.

Financial Servicing, Processing & Technology Sectors



Report Structure

Review of Industry Growth Drivers

This report begins with a review of the size, growth and innovation of financial services sectors and products, including:

1. **Assets Under Management (AUM):** Higher levels of AUM for asset managers provide expanded opportunities for the firms that service them
2. **Trading Volumes:** The explosive growth in OTC and exchange traded derivatives including single equity option volumes also benefits the firms that process these transactions
3. **New Products:** Firms are continually adapting to the needs of financial companies by improving existing offerings and innovating in new areas, especially in risk management and information services
4. **Geographic Expansion:** Globalization has provided an expanded footprint for front-line and servicing companies as investors look globally for opportunities

Servicing, Processing & Technology Review

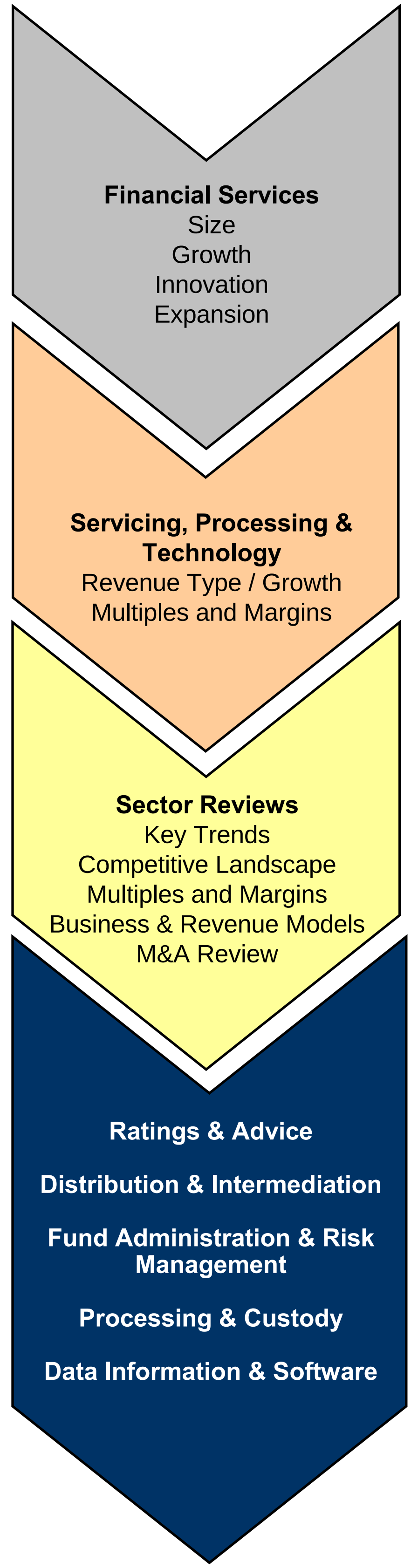
We then review all five of the sectors as a group with a particular emphasis on the differences in:

1. Revenue Type / Business Model
2. Revenue Growth
3. P/E Multiples and Stock Returns
4. Operating Margins

Individual Sector Reviews

Lastly, we examine key features for each of the five sectors, including:

1. Key Trends
2. Competition
3. Business and Revenue Models
4. Selected M&A Activity



Growth of Traditional Asset Management Industry

Impact on Servicing & Processing Sectors

A large portion of servicing and processing companies' revenue is derived from asset-based fees. For example, the global mutual fund industry controls about $26 trillion AUM, so every 1 bps of servicing, processing or custody fees translates into $2.6 billion of annual revenue. So AUM, which has grown 13% for the past five years, pricing ability and new services and products drive growth for servicing and processing firms.

Two of the sectors in this report have the most direct link to asset management industry growth: (1) Fund Administration & Risk Management and (2) Processing & Custody. The Fund Administration & Risk Management sector and the Processing & Custody sector provide structural support to the asset management business, and have played a key role in the industry's growth. As traditional asset managers such as mutual funds get larger in size and number, their collective demand for Ratings & Advice and Data, Information & Software products grows, as does their need for Distribution & Intermediation services for their products.

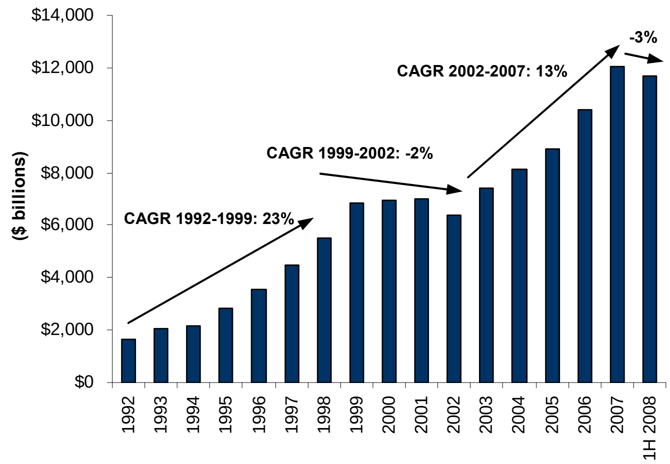
Growth in U.S. Mutual Funds

The U.S. Mutual Fund Industry had approximately $12.0 trillion (€8.2 trillion) in total AUM on June 30, 2008, and growth has averaged 14% per annum for the past 15 years. During this time the market has gone through two distinct growth spurts separated by the burst of the dot com bubble, a pattern which appears to be repeating in 2008 with the implosion of the U.S. mortgage market. Between the end of 2003 and the end of 2007, U.S. mutual fund assets grew by roughly 50%. During this growth cycle, the mix of assets between equity and fixed income has remained relatively consistent with equity and fixed income funds representing about 54% and 14% of total mutual fund AUM, respectively. Recently assets allocated to money market funds have increased to 26% at the expense of equity funds as concerns about turmoil in the credit and equity markets cause investors to scale back their risk exposure. The balance of assets are invested in hybrid equity/fixed income products.

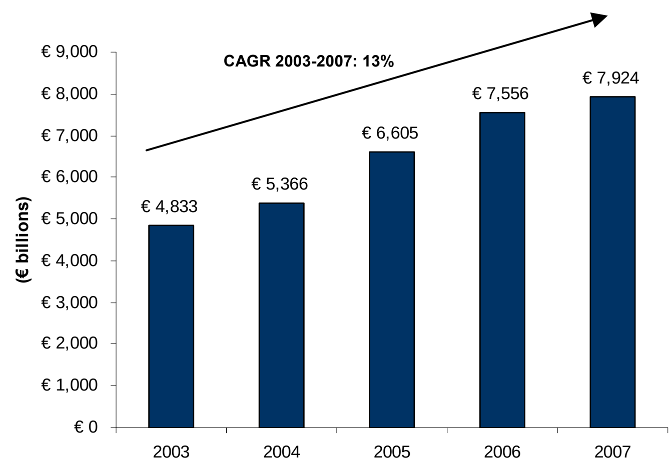
Growth in European Mutual Funds

European investment funds had approximately $11.5 trillion (€7.9 trillion) in total AUM at year-end 2007 and have averaged 13% growth over the past five years. European investment funds show similar asset allocation patterns as in the U.S. with equity, fixed income and money market accounts accounting for 40%, 22% and 16% of the total investment fund AUM.

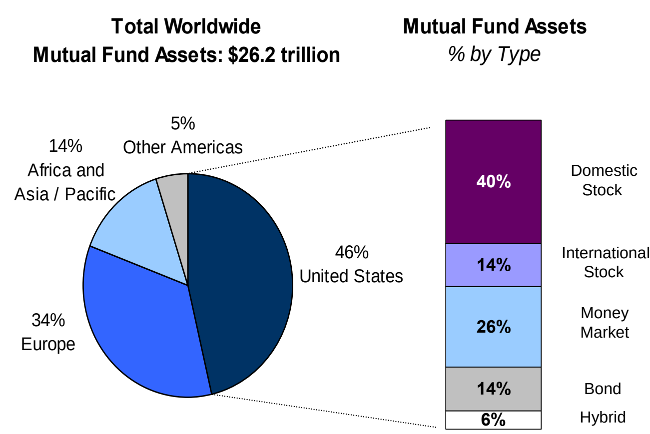
US Mutual Fund AUM



European Investment Fund AUM



Mutual Fund Market Size(1)



(1) As of 12/31/07

Source: ICI, CRSP University of Chicago, Strategic Insight Simfund, EFAMA

Growth of Alternative Asset Management Industry

Impact on Servicing & Processing Sectors

The continued proliferation of alternative asset management products and the increase in AUM have been key drivers in the growth of the servicing & processing sectors. Alternative managers have been growing at rates of 15-20% and need a variety of products and services from the sectors outlined in this report, including: Fund Administration & Risk Management, Data Information & Software, Processing & Custody and Distribution & Intermediation. Additionally, as investors in alternatives demand a higher level of institutionalization from their managers, we expect the demand for outsourced services will increase, allowing mangers to focus on research and alpha-generating activities.

Growth of Hedge Fund Products

Hedge funds assets have grown significantly to $1.9 trillion in AUM at June 30, 2008, with an average growth rate of 18% over the last 10 years. Between the end of 2005 and 1H'08, growth has accelerated to 23%, though some of that growth will be given back in 2H 2008. Hedge fund of funds (HFOFs) assets represent approximately 43% of total hedge fund assets or $801 billion in AUM. Since 1997, the number of hedge funds has tripled from 2,564 to 7,652 while the number of hedge fund of funds grew more than six fold from 426 to 2,597.

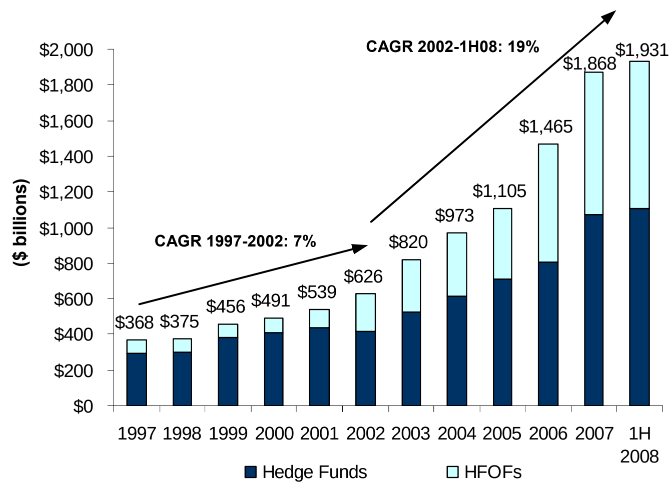
Growth of Private Equity Products

Capital raising by private equity firms reached record levels in 2007, topping $469 billion. Despite the sudden change in the credit environment, asset raising in 1H'08 reached $287 billion or $574 billion on an annualized basis. The private equity sector experienced a sharp contraction in annual fund raising between 2000 and 2002, so although data does not yet show a drop, historical precedents exist. While the number of private equity funds raised each year grew from 781 to 1,118 from 2003-2007 and remains on pace in 1H 2008, a slow down in 2H 2008 is probable.

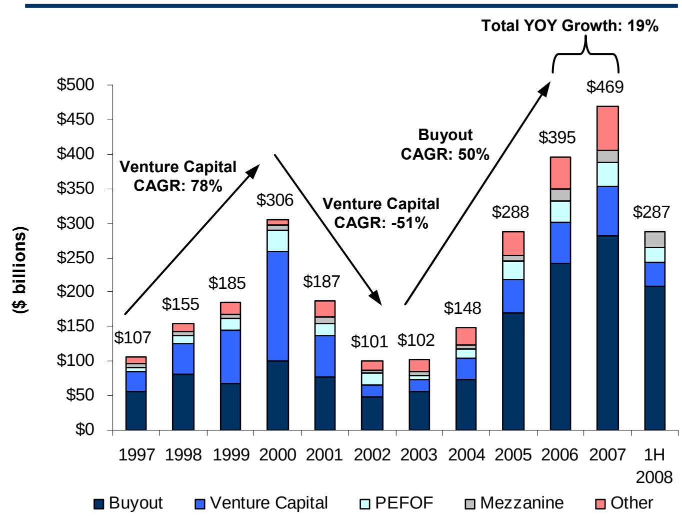
Asset Allocation

Average hedge fund allocations by U.S. institutional investors have risen six fold from 0.43% in 2001 to 2.40% in 2007. During the same period, allocations to private equity funds have dipped from 4.80% to 3.71% according to Russell Investments. The sharp rise in allocations to hedge funds is a clear driver of overall growth in hedge fund assets which grew approximately 3.5x during the same six year period. Private equity funds still enjoy a higher overall allocation, but their share has fluctuated more widely mirroring the boom-bust nature of their asset raising cycles.

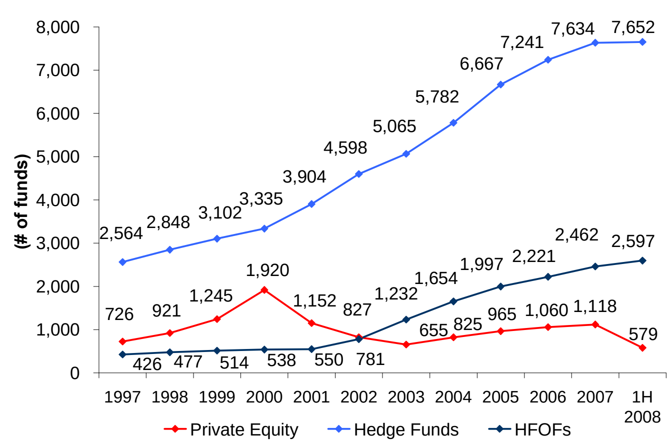
Hedge Fund and HFOF AUM



Private Equity Fundraising



of Funds: Private Equity, Hedge Fund, HFOF(1)



(1) PE funds raised during year ; cumulative number of HF and HFOF in existence

Source: HFR, Russell Investments, Thomson

Trading Volume

Impact on Servicing & Processing Sectors

Increased trading activity has been a large driver of revenue growth for servicing and processing companies. The higher the volume of trading in financial marketplaces, the more transactions there are for which servicers and processors can charge fees. Higher trading volumes also mean a greater demand for other support products such as data, software and analytics.

Rise in Trading Volume

Annual U.S. equity trading volumes (NYSE and NASDAQ combined) reached the 1 trillion share mark in 2007, a healthy 11.7% increase from 2006. Even in the current weak markets, 2008 trading volumes are on pace to exceed 2007 levels on an annualized basis. However, over the longer term, from 2001 to 2007, growth was only 5.6% annualized.

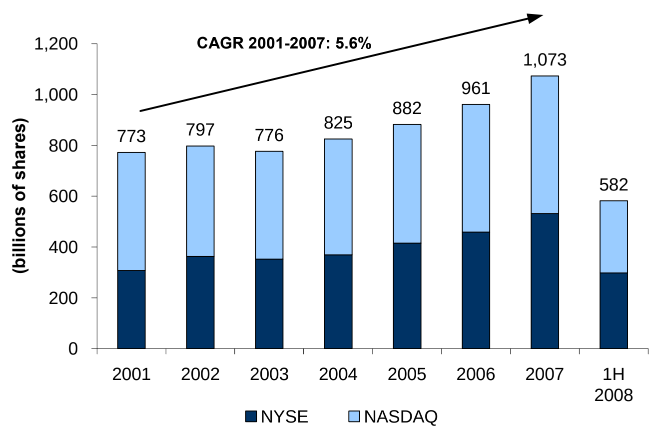
Growth in Options Volume

While traditional equity trading is up modestly, trading of derivative products such as options has grown at a much faster pace. After growing 17% from 1998 to 2002, annual single-equity options trading volume jumped from 2002 to 2007, managing a CAGR of 26% in those years, and reaching over 2.6 billion contracts in 2007. Finally, in 2007 growth was 41% over the prior year. Growth has been driven by high-frequency hedge fund trading and lower execution costs. A potential drop in hedge fund assets could impact the historical volume growth.

Growth of OTC Derivatives

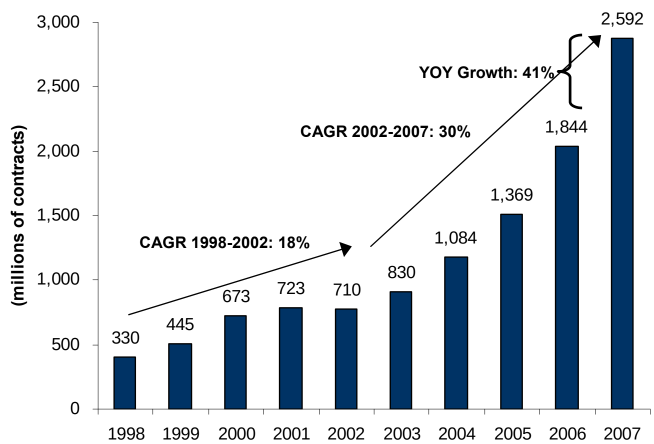
The over-the-counter (OTC) derivatives market which includes forwards, swaps and certain options has grown enormously over the last 10 years to $596 trillion in notional value at the end of 2007. Between 2005 and 2007, this growth accelerated to an average of 42% per annum. With the tremendous growth in OTC derivates have come heavy strains on infrastructure to model, rate, trade, process, clear, research and risk manage these complex instruments presenting numerous opportunities for large servicing firms as well as new entrants with “leap frog” technology.

Annual US Equity Trading Volume[1]

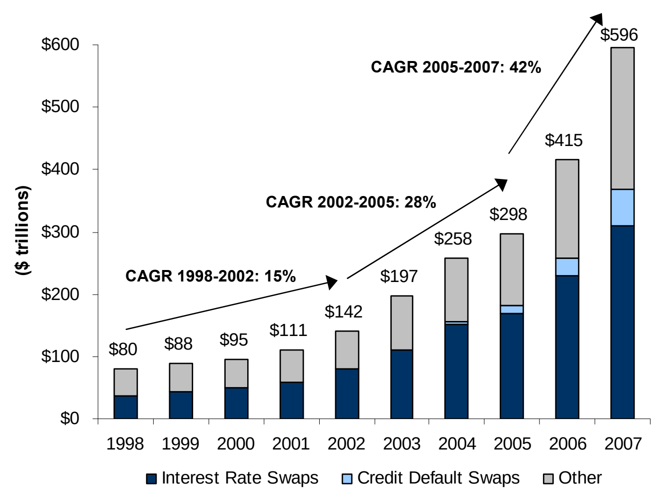


[1] On exchange only

Annual Single-Equity Options Volume



OTC Derivatives (Notional Amounts Outstanding)



Source: BIS, ICI, OCC

New Products

In addition to the growth in existing products, financial engineers have developed a larger number of new products which require specialized research, trading, processing and clearing services.

Exchange Traded Funds (ETFs)

ETFs were born in 1989, but as seen on the chart to the right, the AUM in these vehicles did not reach a significant level until the earlier part of this decade. The attractive elements of these funds, such as easy diversification, low expense ratios, tax efficiency and transparency have translated to a CAGR of 20% from 2002 to 2007, with total AUM reaching over $600 billion in 2007. FS&P firms have benefit from custody services as well as all the trade processing that result from these exchange listed securities.

Major providers of ETFs, such as Barclays and State Street, control a large segment of the market allowing them to offer core products with very low fee rates. New entrants in the market are focused niche strategies and Active ETFs, which employ rules based trading strategies to offer mutual fund-like products.

Credit Default Swaps

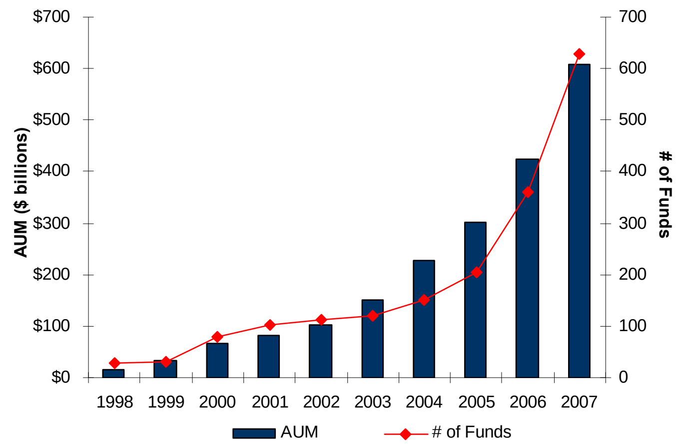
In terms of notional dollar amounts outstanding, the credit default swaps market has grown from $6.4 trillion to $57.9 trillion in only three years. This relatively new product has spawned a cottage industry of large vendors and niche specialists providing the products and services required to support this huge new market.

Collateralized Debt Obligations (CDOs)

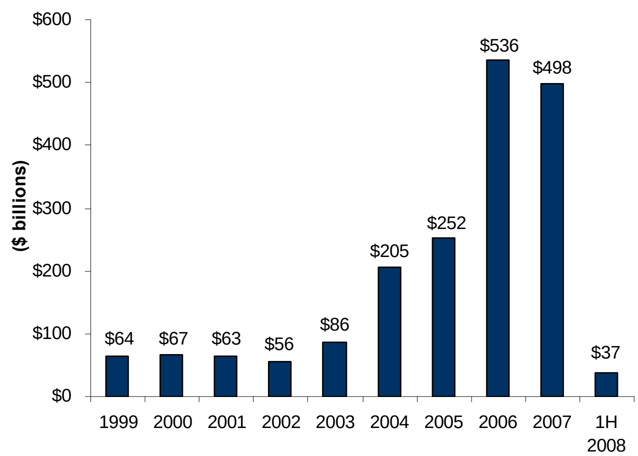
In addition to the originators, servicers and underwriters of structured credit products, companies in the Ratings & Advice and the Processing & Custody sectors also generate significant revenue from rating new issuances and providing continued servicing support for and coverage of these instruments.

CDO issuance, which was essentially flat from 1999 to 2002, experienced tremendous growth from 2003 to 2007, with a CAGR of 55% during that period. With the precipitous drop in structured credit products in 2008, the servicers who rated, published research or priced these securities have seen revenues from these products fall sharply. New marked-to-market accounting rules have intensified the downturn in CDO issuance, highlighting sector downturn for FS&P companies that served this market segment. As the credit crunch intensifies some of the other products which picked up in popularity over the last several years may experience similar contraction.

Exchange Traded Fund Growth



CDO Issuance



Source: ICI, BIS, ISDA, Thomson Financial

Sub-Sector Comparison

Sector Evaluations

Financial Servicing, Processing & Technology companies play a broad role in the industry based on services they deliver and have a wide range of business models. Each business model has an impact on growth rates, operating margins, choices about fixed versus variable costs, business scale and scope that entrepreneurs, private equity firms and strategic buyers must consider. Some of the sectors have hundreds of competitors of different sizes and shapes, such as Data, Information & Software, while others have moved towards oligopolies such as Processing & Custody.

It's important to keep in mind these trends and differences. High fixed cost and low variable cost services lead to oligopolies as the most efficient company squeezes its competitors with its lower average cost (e.g. BNY Mellon's custody or Bloomberg's terminals).

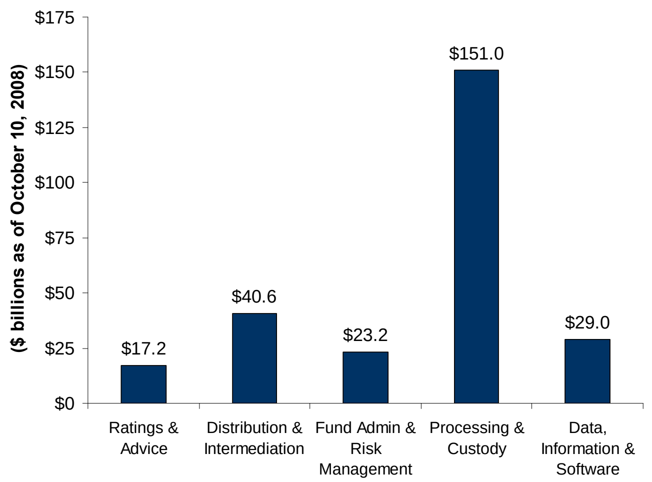
The sectors and companies in this report cover a wide range of shapes and sizes: of the public firms tracked in this report, the largest has revenue of $8.6 billion and the smallest, $18 million. The charts to the right show three views of the companies in this report and the relative size and shape of the sectors:

- **Market cap by Sector:** Processing & Custody is tops with $151 billion and Ratings & Advice is the smallest with $17 billion
- **Revenue by Sector:** ranges from $900 million (Fund Admin & Risk Management) to $24.5 billion (Processing & Custody)
- **Ownership:** 26% are private companies, with the remaining 74% either public or with a public parent

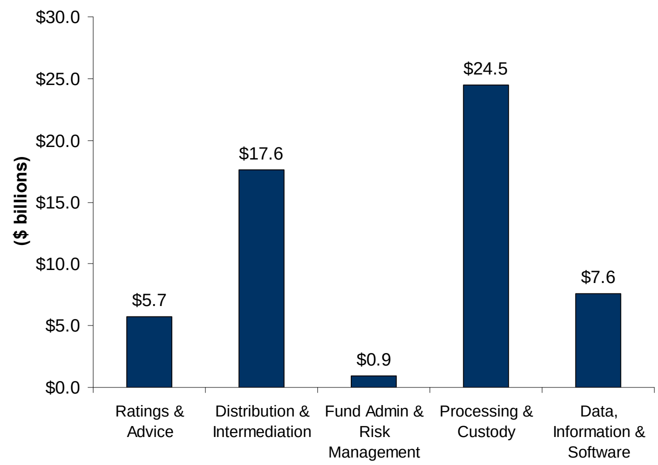
Note: the data is merely representative of the companies in the report and does not measure the full size of the industry or sector in terms of revenue or market capitalization.

Within these sectors, the smallest company, EDGAR Online, has a market cap of $40 million and the largest market cap is Citigroup's $77 billion, which presents a wide range of investment opportunities for public investors, private equity buyouts and strategic acquirers. The breadth and diversity of private companies is too long to list, and ranges from start-ups founded last week (perhaps to service defaulted mortgages) all the way up to Bloomberg LP, easily the largest private company in these sectors.

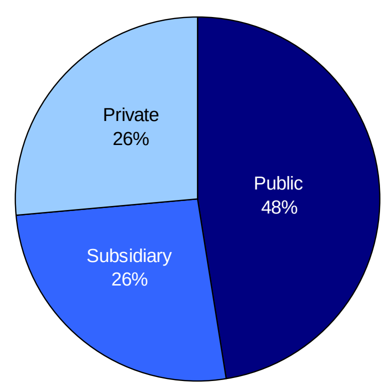
Selected Key Players – Market Cap by Sector



Selected Key Players-2007 FY Revenue by Sector



Selected Key Players – Company Type



Source: Company Financials, Freeman & Co. Research

Sub-Sector Comparison

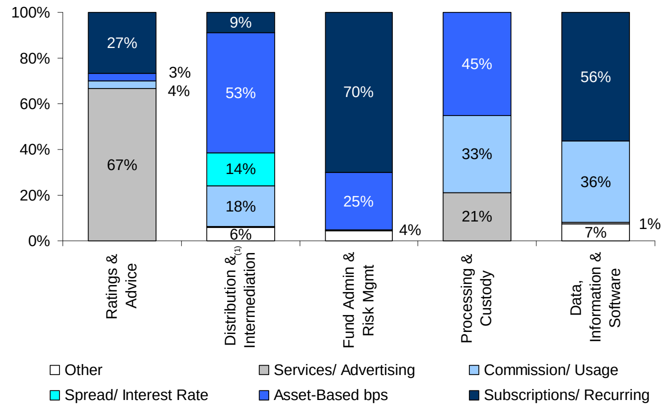
Revenue Type / Business Model

The financial Servicing, Processing & Technology sectors provide a wide range of business models that affect their source and quality of revenues. In this report we have used six (6) types of revenue models to compare companies within and across sectors, including:

- **Subscription / Recurring:** products that are consumed on a regular basis by clients that pay the servicing firm a fee for a set period of time, generally one year. Within Servicing, Processing & Technology, subscription-based fees are generated by companies that provide investor advice products, risk management companies and data providers
- **Asset-Based (bps):** businesses that earn fees based on the amount of assets serviced for clients. These fees can be slightly more volatile than subscription fees depending on the asset levels of servicers' clients, and are characteristic of processing, fund administration and custodial firms
- **Spread / Interest Rate:** firm that charge a higher price for financing than they paid for it; for the purposes of this report, this type of revenue is typically generated by online brokers in the Distribution & Intermediation sub-sector in the form of an interest rate spread on margin accounts
- **Commission / Usage:** charging commissions for trading or servicing investment products (such as in the Distribution & Intermediation and Processing & Custody sub-sectors) or charging customers for the amount of usage of the company's products (as found in Data, Information & Software)
- **Services / Advertising:** providing consulting-type services, such as ratings for investment products, or charging for advertisements within publications or online, which is a significant part of Ratings & Advice companies' revenue
- **Other:** any revenue generated from a product or service that doesn't fit into the above five revenue types

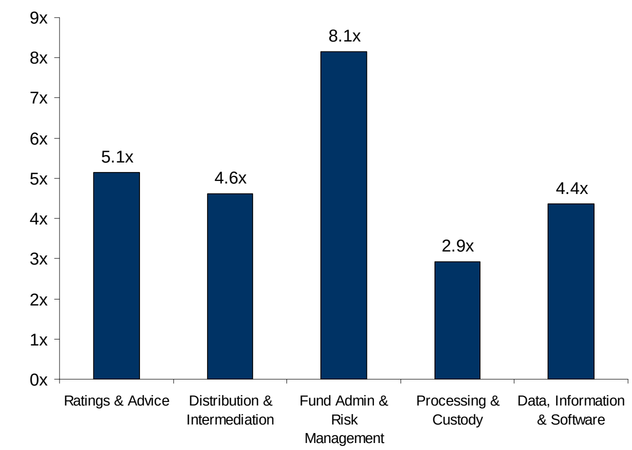
Note: Any mischaracterization of revenue sources or revenue types are solely the mistake of the authors and are not a reflection of the company. Freeman & Co. has not intended that this information be the basis of any recommendations about these companies or their stock prices.

2007 Revenue Type by Sub-Sector



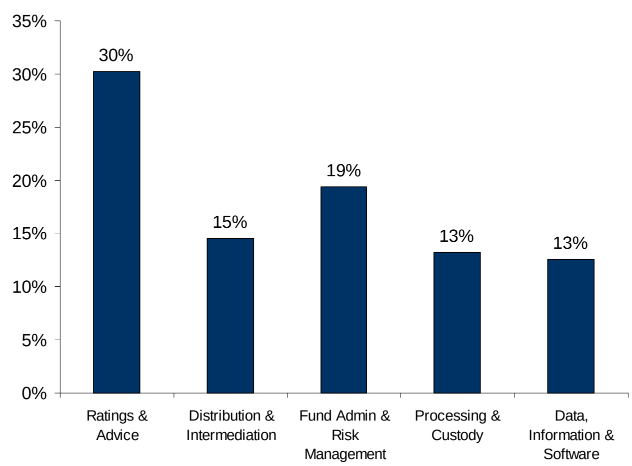
(1) Excludes E*Trade due to provisions for loan losses

Enterprise Value / 2007 Revenue Multiples(1)



(1) EV as of October 10, 2008

Average 2007 Pre-Tax Margins



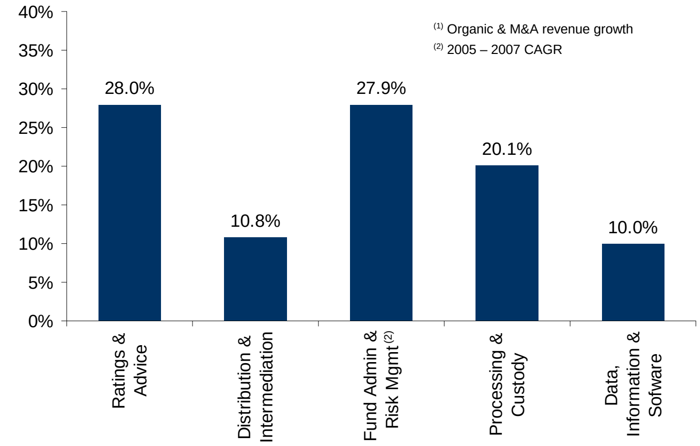
Source: Company Financials, Freeman & Co. Research

Sub-Sector Comparison

Revenue Growth

A main area of focus in this report is revenue for the selected key players, as differences between business models tend to make other financial metrics less comparable across sub-sectors. In terms of revenue growth over the past five years, the selected key players in Risk Management & Fund Administration, driven by a proliferation of complex trading products, have experienced the most success, with a revenue CAGR of 31% since 2004. Ratings & Advice and Processing & Custody have also experienced strong growth, with CAGRs of 28% and 20%, respectively, since 2004. Distribution & Intermediation firms have been hampered by the mortgage-related writedowns at E*Trade, with a CAGR of 11% since 2004. Data, Information, & Software, which has experienced some consolidation, has a revenue growth CAGR of just 10% since 2003. All of these growth rates include both organic growth and growth through acquisitions.

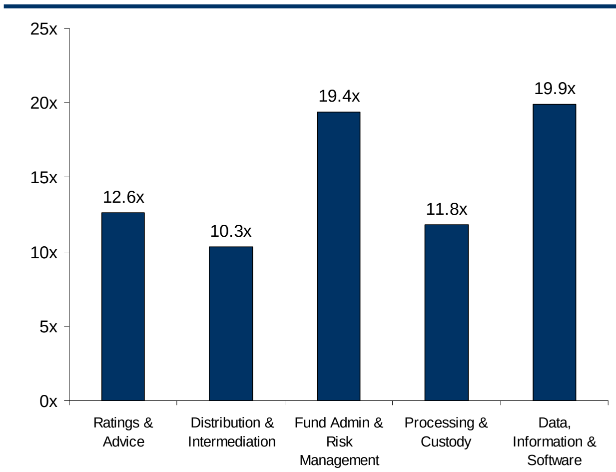
Sub-Sector Revenue Growth Comparison 2004 - 2007[1]



Price/Earnings Multiples and Stock Prices

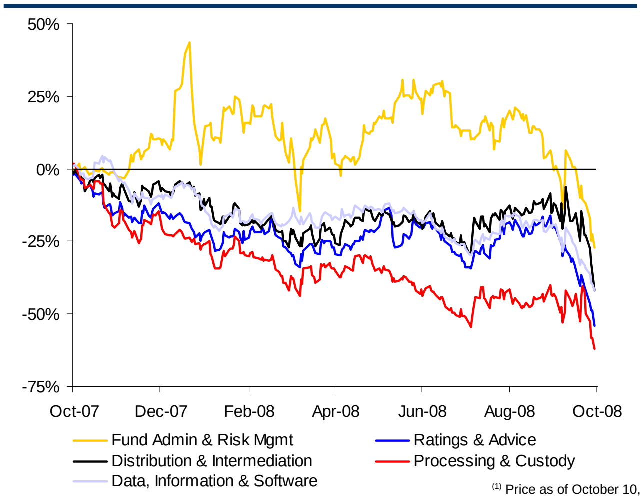
Trading multiples of the key public players in Ratings & Advice have steeply declined in the past year, due to uncertainty surrounding ratings companies' role in the loose credit markets of the previous few years and subsequent downturn. Ratings companies were also generating substantial revenue from the rating of complex debt instruments such as CDOs, whose issuance has all but dried up during the credit crunch. The average P/E multiple for the selected key Ratings & Advice players was 30x in mid-2006; that figure has dropped to just over 10x in 1H 2008. Distribution & Intermediation firms have also seen their relative valuations drop significantly, partially due to mortgage-related losses, most notably at E*Trade. The key players in Distribution & Intermediation were trading as high as 40x in 2003, but levels are currently down to 15x. Data, Information & Software companies have been hit less hard, as they have steered clear of any major losses and they continue to see the number of firms they service grow, however they have not proven to be immune to the general economic slump. P/E multiples for the average publicly-traded key player in this sub-sector have gone from a high of 28x in early 2007 to approximately 20x currently.

Sub-Sector P/E Multiple Spreads[1]



(1) Stock prices and LTM earnings as of October 10, 2008

Sub-Sector Average Stock Price[1]



(1) Price as of October 10, 2008

Source: Company Financials, Freeman & Co. Research

Ratings & Advice Companies

Description

Ratings & Advice companies are the firms that collect, analyze, benchmark and distribute financial information on the companies and investment products available to retail and institutional investors. Companies in this sector depend on the steady issuance of new securities that require ratings and research products as well as a demand for investors to understand and invest in a greater variety and complexity of financial products.

Key Players: Public & Private

($ millions)

Public Company/ Subsidiary	Market Cap as of 10/10/08	2007 Revenue	Full-Time Employees	IPO date
Institutional				
Moody's	$5,668	$2,259	3,572	Oct-00
S&P (McGraw-Hill)	6,927 (1)	1,359	21,171 (1)	Jul-85
Fitch (Fimalac)	1,597 (1)	1,184	3,131 (1)	Jan-03
Retail				
Morningstar	2,144	435	2,040	May-05
Investools (ThinkOrSwim)	446	318	140	Jul-03
Value Line	340	84	204	Aug-95
TheStreet.com	119	70	349	May-99

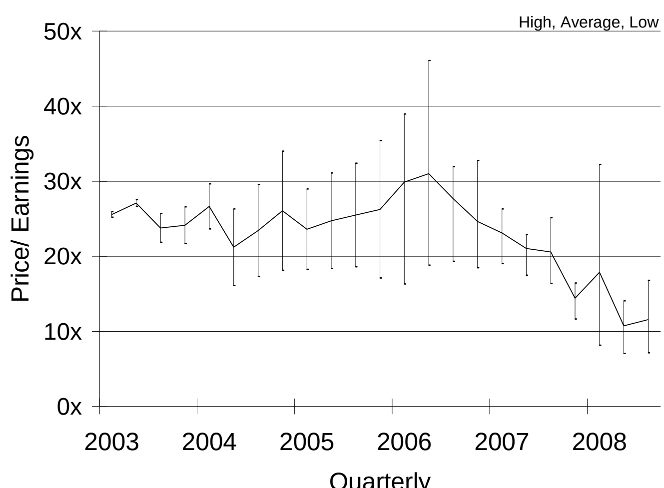
(1) Parent Company Totals

Private Companies	Focus
A.M. Best Company, Inc.	Rating Agency
Egan Jones Ratings Co.	Rating Agency
Dominion Bond Rating Service Ltd.	Rating Agency

Key Trends

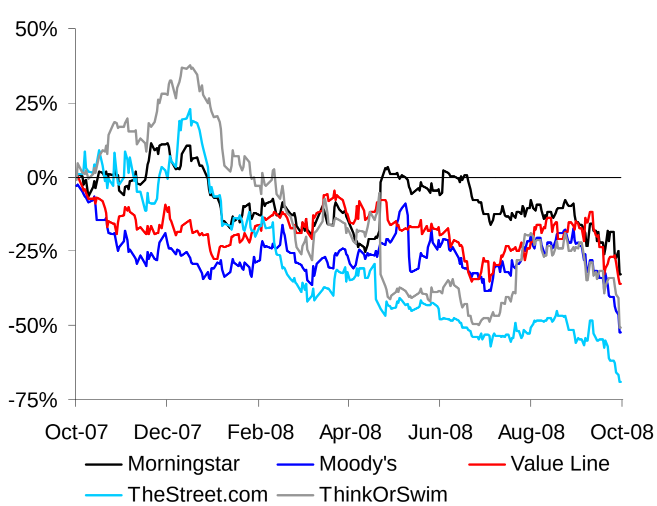
- The Ratings & Advice sector is made up of two groups: Institutional, consisting of S&P (McGraw-Hill), Moody's and Fitch (Fimalac); and Retail, consisting of Morningstar, Investools, Value Line and TheStreet.com
- The credit crunch has affected the Institutional and Retail firms differently, as the former relies more on new product issuance of bonds, structured products, etc
- Companies dependent on transaction based revenue continue to adjust their cost structure and focus on developing alternative lines of business such as information services (Capital IQ, Moody's Analytics). We expect to see expansion in areas where they can leverage their brand names
- The result of the downturn in issuance (and revenue) has been a drop in P/E ratios from approximately 30x to 10x from mid-2006 to today (see chart lower left)
- Four year revenue growth in the sector has been 16% for Institutional (using only Moody's) and 26% for Retail (largely driven by 32% growth by Morningstar) as shown on the next page. We expect the need for retail advice to continue to grow rapidly as the boomers seek advice managing their retirement assets (see also Freeman & Co. *Retirement Funding: New Solutions for a Growing Problem, July 2008*)
- Many acquisitions will target new growth and international areas to meet investors needs

P/E Multiple Spreads



Includes: MCO, VALU, TSCM, SWIM
Note: Morningstar not included

One Year Stock Returns Ending October 10, 2008



Source: Company Financials, Freeman & Co. Research

Ratings & Advice Companies

Business & Revenue Model

The companies that operate in this sector choose to apply different business and revenue approaches to similar functions of providing financial information and information-related services to retail and institutional investors.

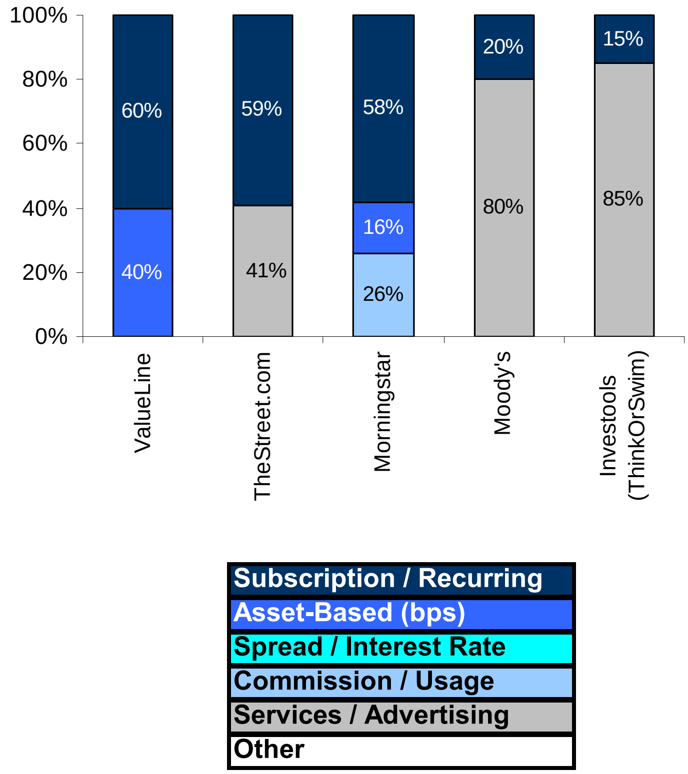
On the institutional side, the ratings agency model focuses on transaction fees charged on the issuance of debt and equity. While companies employing this model were the beneficiaries of the recent surge in the issuance of debt and mortgage backed securities, they have been impacted by the market contraction and the potential for additional regulatory scrutiny.

The retail business models have a mix of subscription, AUM basis point fees and usage fees that are less dependant on new issues (bonds, CDO's, etc). Companies such as Value Line and Morningstar leverage proprietary research and indices and offer additional asset based products to both retail and institutional investors.

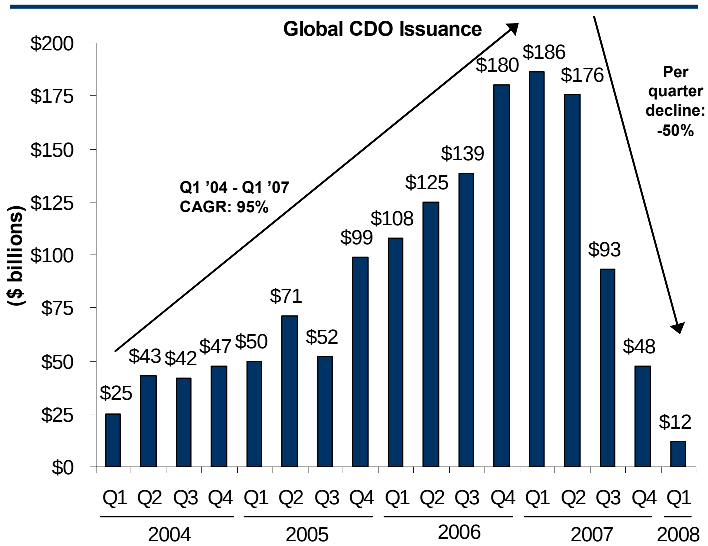
An increasingly important element in this sector has been international revenues exposure. Many firms (McGraw-Hill, Morningstar, Moody's) have been aggressive acquirers of business with international exposure.

Lastly, we expect demand for retail advice and products to experience above average growth as boomers rollover their defined contribution accounts.

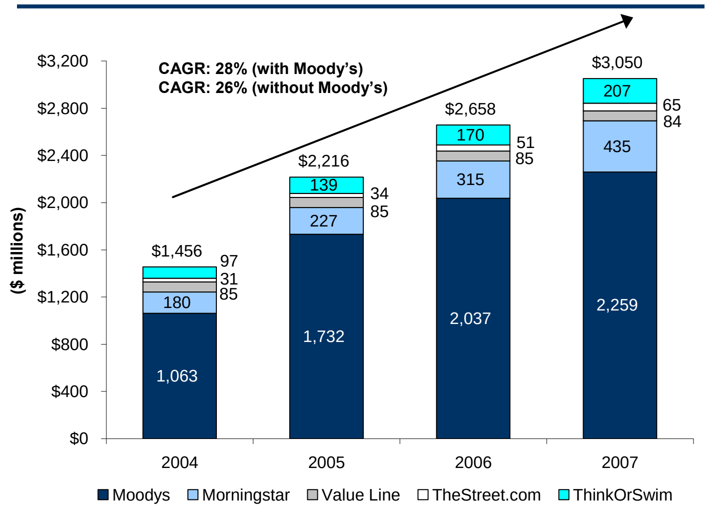
Revenue by Type – 2007 Figures



Declining Market for Product Ratings



Revenue Growth of Key Players



Source: Company Financials, Freeman & Co. Research, OCC

Ratings & Advice Companies

Selected M&A Activity

- The Fitch Group, Moody's and S&P have all executed acquisitions to expand their product base both domestically and abroad. The Fitch Group's acquisition of Korea Rating highlights the specific desire of these institutionally focused firm to develop ratings solutions globally and expand their product base
- Access to data, information and users is the name of the game. S&P's acquisition of Capital IQ and Morningstar's acquisition of Ibbotson Associates show how these firms are leveraging their current market penetration and bolting-on additional niche products backed by comprehensive and proprietary databases
- PE investors were active through current or historical investments in Cap IQ, MyTrade.com, ThinkorSwim and TheStreet.com

Close Date	Target	Acquirer	Sellers	Deal Type	Deal Value
Fimalac					
Apr-03-2007	Korea Ratings	Fitch Group, Inc.	Hanil Cement Co. Ltd.	Strategic Acquisition	$57.2
Jul-31-2006	Reoch Credit Limited	Fitch Group, Inc.	Reoch Credit Limited	Strategic Acquisition	-
Investools, Inc.					
Feb-15-2007	Thinkorswim, Inc.	Investools, Inc.	Technology Crossover Ventures	Strategic Acquisition	$348.8
May-04-2001	Telescan, Inc.	Investools, Inc.		Strategic Acquisition	$8.5
Jan-26-2005	Prophet Financial Systems, Inc.	Investools, Inc.		Strategic Acquisition	$7.9
Feb-26-2004	Service Enhancement Systems, Inc.	Investools, Inc.		Strategic Acquisition	$5.8
Dec-10-2007	MyTrade.com, Inc.	Investools, Inc.	Biltmore Ventures, LP; C2 Global Technologies Inc.	Strategic Acquisition	$3.5
The McGraw-Hill Companies, Inc.					
Sep-17-2004	Capital IQ, Inc.	S&P	PE Consortium	Strategic Acquisition	$200.0
Mar-16-2007	S&P, Mutual Fund Data Business	Morningstar Inc.	S&P	Sale to Strategic Acquirer	$55.0
Feb-19-2008	MacroMarkets LLC, S&P/Case-Shiller Home Price Indices	S&P	MacroMarkets LLC	Strategic Acquisition	-
Jan-17-2008	Maalot-The Israel Securities Rating Company Ltd.	S&P	Israeli financial services consortium	Strategic Acquisition	-
Sep-04-2007	IMAKE Consulting, Inc. and ABSXchange LLC	S&P		Strategic Acquisition	-
Feb-08-2007	GS Commodity Index & Two Equity Index Families	S&P	Goldman Sachs Group Inc.	Strategic Acquisition	-
Apr-01-2005	Vista Research LLC	S&P	Ideal Associates; Valley Green Capital	Strategic Acquisition	-
Apr-25-2005	CRISIL Ltd.	S&P International		Strategic Acquisition	-
Feb-21-2005	ASSIRT Pty Ltd.	S&P	St. George Bank Ltd.	Strategic Acquisition	-
-	S&P Securities, Inc.	BNY ConvergEx Execution Solutions, LLC	S&P	Sale to Strategic Acquirer	-
Moody's Corp.					
Jan-28-2008	BQuotes	Moody's		Strategic Acquisition	-
Jan-08-2008	Financial Projections Limited	Moody's Analytics		Strategic Acquisition	-
Jan-07-2008	Midroog Ltd.	Moody's Investors Service, Inc.		Strategic Acquisition	-
Jun-14-2007	CA-Ratings	Moody's		Strategic Acquisition	-
Jan-18-2007	PT Kasnic Credit Rating	Moody's Investors Service, Inc.	PT HT Capital	Strategic Acquisition	-
Dec-18-2006	Wall Street Analytics, Inc.	Moody's		Strategic Acquisition	-
Sep-21-2006	China Chengxin International Rating Co. Ltd.	Moody's	China Chengxin Credit Management Co.	Strategic Acquisition	-
Jan-23-2006	CRA Rating Agency, a.s	Moody's Investors Service Ltd.		Strategic Acquisition	-
Jun-07-2004	Interfax Rating Agency	Moody's Investors Service, Inc.	Interfax Information Services Group	Strategic Acquisition	-
Morningstar Inc.					
Mar-01-2006	Ibbotson Associates	Morningstar		Strategic Acquisition	$83.0
Mar-16-2007	S&P, Mutual Fund Data Business	Morningstar	S&P	Strategic Acquisition	$55.0
Jan-09-2008	Ipreo LLC, Hemscott Businesses	Morningstar	Ipreo LLC	Strategic Acquisition	$51.6
Jul-25-2006	Aspect Huntley Pty Limited	Morningstar		Strategic Acquisition	$22.3
Aug-01-2006	InvestorForce, Inc., Altvest Database Division	Morningstar	InvestorForce, Inc.	Strategic Acquisition	$10.0
Jan-07-2005	VARDS	Morningstar	Finetre Corporation	Strategic Acquisition	$8.2
-	Gomez, Inc.	Consortium		Strategic Acquisition	$3.5
-	InvestorWeb Pro	Morningstar Research Pty Ltd.	IWL Ltd.	Strategic Acquisition	-
Jul-02-2003	mPower.com, Inc.	Morningstar	Consortium	Strategic Acquisition	-
TheStreet.com, Inc.					
Nov-15-2007	The Street.com, Inc.	Technology Crossover Ventures		PE investment	$55.0
Nov-01-2007	Bankers Financial Products Corporation	The Street.com, Inc.		Strategic Acquisition	$29.8
Aug-02-2007	Promotions.com	The Street.com, Inc.		Strategic Acquisition	$19.6
Apr-24-2008	DebtFolio, Inc.	The Street.com, Inc.		Strategic Acquisition	$1.2
Apr-25-2007	Stockpickr, LLC	The Street.com, Inc.		Strategic Acquisition	-
Aug-07-2006	Weiss Ratings	The Street.com, Inc.	Weiss Group, Inc.	Strategic Acquisition	-

Sources: Freeman & Co. Research, Capital IQ

Distribution & Intermediation

Description

Distribution & Intermediation firms provide access points for retail investors or their advisors to invest in mutual funds, ETFs, money market funds and a variety of other asset management products. In many cases this function is provided by retail and online brokerages which distribute investment products and offer trading services. Many of the firms offer services through three separate channels: retail, institutional and financial advisors/intermediaries.

Key Players: Public & Private

($ millions)

Public Company/ Subsidiary	Market Cap as of 10/10/08	2007 Revenue	Full-Time Employees	IPO date
Charles Schwab	$23,265	$4,994	13,700	Jun-89
TD Ameritrade	7,774	2,177	4,530	Mar-97
Ameriprise Financial	4,690	8,654	8,750	Sep-05
Raymond James	2,569	1,741	4,800	Dec-87
OptionsXpress	848	247	265	May-05
E*Trade	1,198	(378) (1)	3,757	Aug-96
TradeStation Group	282	152	320	Oct-97

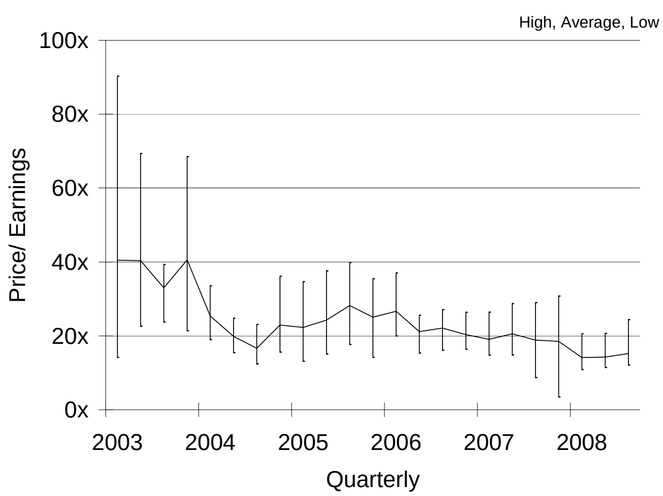
(1) Negative Revenue due to loan loss in 2007

Private Companies or Subsidiaries	Focus
Placemark Investments	Distribution & Intermediation

Key Trends

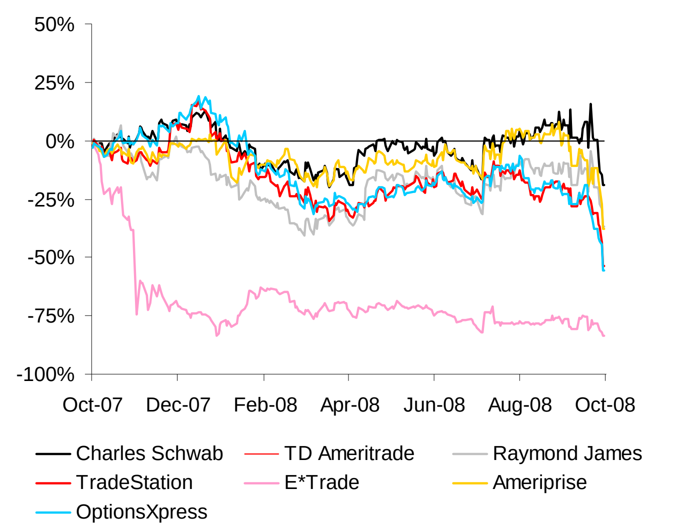
- Distribution & Intermediary firms play a key role in the financial product value chain, sitting between product manufacturers and end investors, and derive revenue from asset-based fees (bps), trading commissions and other usage fees
- Schwab and others have developed mutual fund and wrap account platforms, where they own the customer relationships and charge retail fees, while using outside product managers and paying the lower wholesale/institutional fees. We expect firms to disintermediate product manufacturers and push to increase these fee spreads
- Key business model differences have been exposed during the credit crisis, including (1) reliance on trading vs. asset-based fees, and (2) mixing of advisory business models with balance sheet businesses such as lending and insurance. Two key examples of these are the differences between Schwab and E*Trade (lending), and betweenTD Ameritrade and Ameriprise (insurance) since the credit crisis began
- These business model differences (balance sheet light vs. intensive) will be a key feature for growth in the future. Many firms will be wary of expanding or getting into credit based businesses, and will choose to be distributors of other firms' insurance, credit and mortgage based products
- Many distribution based businesses also rely on technology to increase the use of "mass customization" to meet the specific needs of numerous retail clients. Their tools can be a key differentiating factor for their businesses

P/E Multiple Spreads



Includes: SCHW, AMTD, AMP, TRAD, OXPS, ETFC, RJF

One Year Stock Returns Ending October 10, 2008



Source: Company Financials, Freeman & Co. Research

Distribution & Intermediation

Business & Revenue Model

The core revenue streams for businesses in this group fall into three main categories:

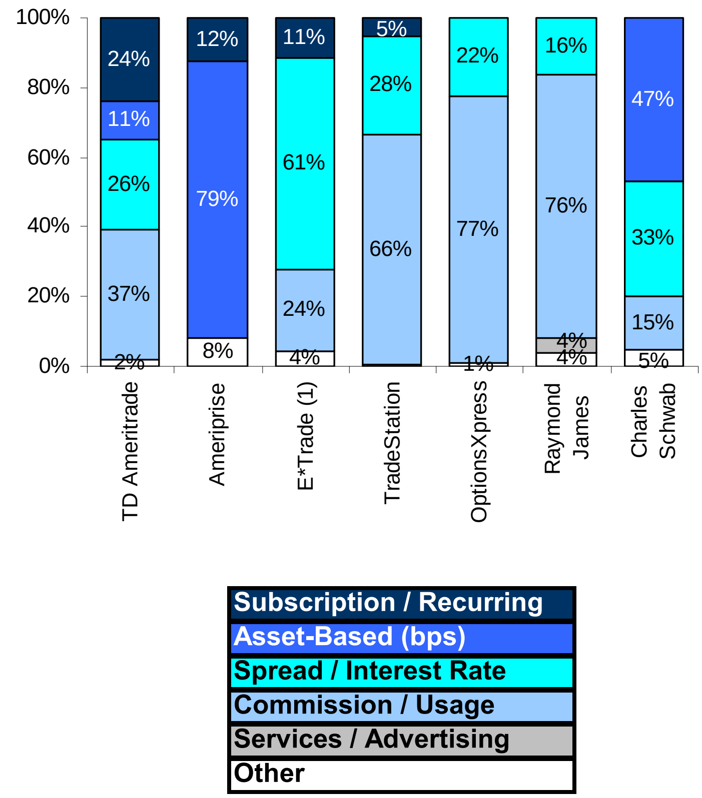
1. Asset-based fees, typically charged as basis points (bps)
2. Commission and other trading income
3. Net interest or spread revenue, generally on margin balances

The larger firms are generally better diversified and have a greater mix of asset-based fees vs. trading commissions. Schwab's OneSource platform has been the industry standard for capturing open-architecture asset-based fees, for example. The smaller firms, such as TradeStation, derive a greater percentage of revenues from commissions and margin balances. Their challenge has been to reach critical mass and scale so that price wars do not force them into an unwanted merger.

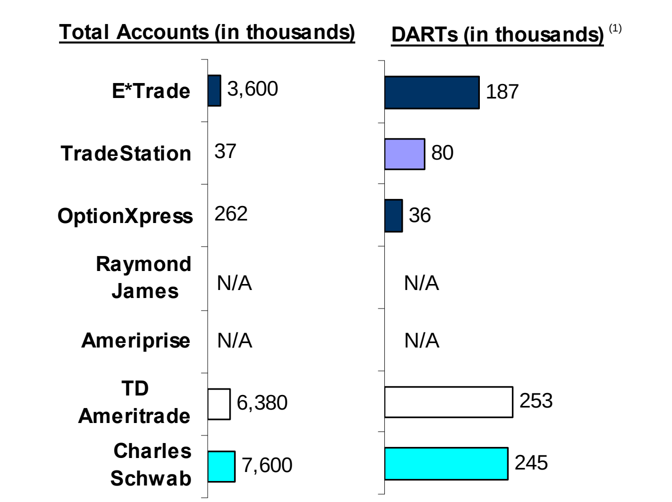
A key element of Distribution & Intermediation businesses has been scale and diversification. To keep market share with their clients, many firms have expanded to offer additional financial services products such as asset management, lending, credit cards and insurance. Firms chose either open-architecture models (source products externally) or semi-open architecture (manufacture certain products internally). Those that stayed in or entered into balance sheet intensive businesses have felt the pain of the credit crunch. We expect this lesson to reinforce the open-architecture model for most firms.

Revenue by Type – 2007 Figures

(1) Based on 2008 Q1. Excludes provisions for loan losses

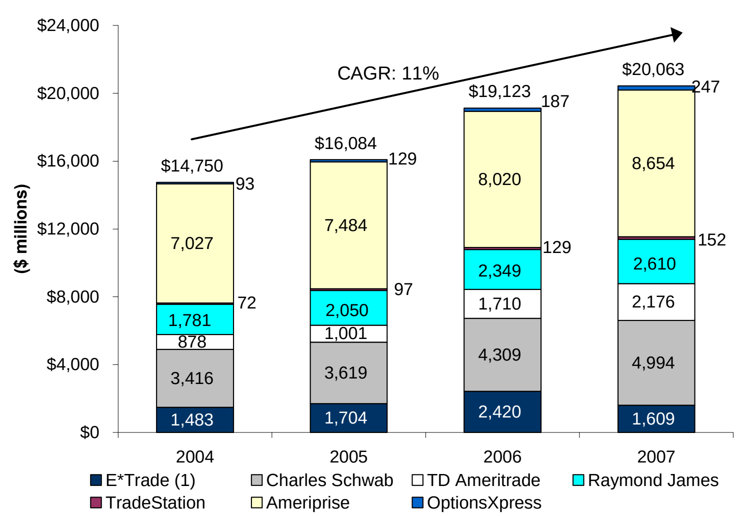


Distribution & Intermediation – Total Accounts



(1) DART: Daily Average Revenue Trades

Revenue Growth of Key Players



(1) 2007 E*Trade Revenue excludes losses

Source: Company Financials, Freeman & Co. Research

Distribution & Intermediation

Selected M&A Activity

- There have been two key business and M&A trends in the sector:
  - Consolidation: beginning with the dotcom crash, consolidation began with the retail brokerage firms, which were trying to spread fixed costs across a greater number of accounts
  - Balance Sheet Usage: firms choose business models with either heavy or light balance sheet usage, and the credit crisis has exposed the risks of heavy balance sheet usage by E*Trade and Ameriprise
- Charles Schwab has been extremely active in M&A in the Distribution & Intermediation sector, both on the buy-side and the sell-side
  - Schwab has completed 12 deals since 2003
  - The firm has made several divestitures in retrenching to its core business, most notably the sale of U.S. Trust to Bank of America in July 2007 for $3.3 billion

Close Date	Target	Acquirer	Sellers	Deal Type	Deal Value
Charles Schwab Corp.					
Jul-01-2007	U.S. Trust Corporation	Bank of America Corporation	Charles Schwab Corp.	Divestiture	$3,300.0
Oct-29-2004	Schwab Capital Markets L.P.	UBS AG	Charles Schwab Corp.	Divestiture	$265.0
Mar-30-2007	The 401(k) Company	Charles Schwab Corp.	Nationwide Financial Services, Inc.	Strategic Acquisition	$115.0
Jan-03	PostX Corporation	Charles Schwab Corp.		Strategic Acquisition	$7.1
Sep-11-2006	Active Decisions, Inc.	Knova Software, Inc.	Consortium led by Charles Schwab	Divestiture	$0.4
May-17-2007	Xign Corporation	JPMorgan Chase Treasury Services	Consortium led by Charles Schwab	Divestiture	-
Jan-01-2007	Global Real Analytics, LLC	Charles Schwab Investment Mgmt		Strategic Acquisition	-
Nov-30-2006	PostX Corporation	IronPort Systems, Inc.	VC Consortium led by Charles Schwab	Divestiture	-
Dec-06-2005	Quris, Inc.	Merkle, Inc.	Charles Schwab Corp.	Divestiture	-
Oct-28-2003	ADVISORport Inc.	PFPC Worldwide, Inc.	VC Consortium led by Charles Schwab	Divestiture	-
Jun-2003	Aitken Campbell	TD Ameritrade	Charles Schwab Corp.	Divestiture	-
Jan-31-2003	Charles Schwab Europe	Barclays plc	Charles Schwab Corp.	Divestiture	-
E*Trade Financial Corp.					
Nov-01-2007	E*Trade Financial Corp.	Citadel Investment Group, Blackrock		Financial Sponsorship	$2,500.0
May-16-2008	IL&FS Investment Limited	HSBC Securities and Capital Markets (india) Private Limited: HSBC Violet Investments (Mauritius) Ltd.	E*TRADE Financial Corporation ; Infrastructure Leasing & Financial Services Lmited	Divestiture	$240.2
Jul-18-2008	E*Trade Canada	Scotiabank	E*TRADE Financial Corporation	Divestiture	$143.0
Apr-02-2008	Umbria, Inc.	J.D. Power and Associates, Inc.	Consortium led by E* Trade	Divestiture	-
OptionsXpress Holdings, Inc.					
Dec-17-2003	OptionsXpress Holdings, Inc.	G-Bar Partners; Summit Partners		PE Investment	$88.4
Jan-24-2007	XpressTrade, LLC	OptionsXpress Holdings, Inc.		Strategic Acquisition	$37.0
Jun-25-2008	Open E Cry, LLC	OptionsXpress Holdings, Inc.		Strategic Acquisition	$18.0
Placemark Investments, Inc.					
Jan-12-2000	Placemark Investments, Inc.	Capital Z Financial Partners		PE Investment	$28.5
Sep-07-2006	Placemark Investments, Inc.	PE Consortium		PE Investment	$10.0
May-04-2005	Placemark Investments, Inc.	VC Consirtium		VC Investment	-
Raymond James Financial Inc.					
Mar-22-2007	ASK Raymond James Securities India Pvt. Ltd.	ASK Group	Raymond James Financial Inc.	Divestiture	-
Mar-01-2001	Capital Bank Investment Services, Inc.	Capital Bank Corporation	Raymond James Financial Inc.	Divestiture	-
Scottrade, Inc.					
Jun-13-2000	MortgageIT, Inc.	Consortium led by Scottrade		Strategic Acquisition	$33.0
TD AMERITRADE					
Jun-22-2005	Ameritrade (nka:TD Ameritrade)	Ameritrade Holding Corp (nka:TD AMERITRADE Holding Corporation	Toronto-Dominion Bank	Strategic Acquisition	$2,869.2
May-24-2007	Fiserv Trust Company	TD AMERITRADE	Fiserv Inc.	Strategic Acquisition	$325.0
Aug-21-2006	TD Waterhouse Capital Markets, Inc.	Citigroup	TD Ameritrade	Divestiture	-
TradeStation Group Inc.					
Jan-20-2000	TradeStation Securities Inc.	TradeStation Group Inc.		Strategic Acquisition	$132.7
Jan-20-2000	TradeStation Technologies	TradeStation Group Inc.		Strategic Acquisition	$6.7
Ameriprise Financial Inc.					
Oct-01-2003	Threadneedle Asset Management Holdings Ltd.	Ameriprise Financial	Zurich Financial Services	Strategic Acquisition	$570.0
N/A	J. & W. Seligman & Co. Incorporated	Ameriprise Financial		Strategic Acquisition	$440.0
Jun-28-2000	Exactis.com, Inc.	24/7 Media, Inc.	Consortium	Sale	$35.0
Aug-12-2008	H&R Block Financial Advisors, Inc.	Ameriprise Financial	Block Financial LLC	Strategic Acquisition	$315.0
Mar-18-2004	Docent Inc.	Click2Learn Inc.	Consortium	Sale	$22.5
Jun-01-2006	Ameriprise Financial Inc., Retirement Record-Keeping	Wachovia Corporation	Ameriprise Financial	Financial Sponsor	-
Apr-04-2002	GORP.com, Inc.	Away.com, Inc.	Consortium	Sale	-

Sources: Freeman & Co. Research, Capital IQ

Fund Administration & Risk Management

Description

Fund Administration & Risk Management companies provide the tools for investment managers to analyze and manage the trading and operational risks of their investment business. The industry is driven by the growth of assets under management, the number of funds and the complexity of the instruments traded in those funds. Several of the key players in the field went public only recently as their growth followed hedge fund AUM increases and the managers' need for more institutional infrastructure and support.

Key Players: Public & Private

($ millions)

Public Company/ Subsidiary	Market Cap as of 10/10/08	2007 Revenue	Full-Time Employees	IPO date
Blackrock Solutions	$18,638 [1]	$198	5,952 [1]	Oct-99
Barra (MSCI Inc.)	1,721 [1]	170	637 [1]	Nov-07
Algorithmics (Fimalac)	1,597 [1]	139	742	Jan-03
RiskMetrics	968	240	890	Jan-08
GlobeOp	309	166	1,704	Jul-07

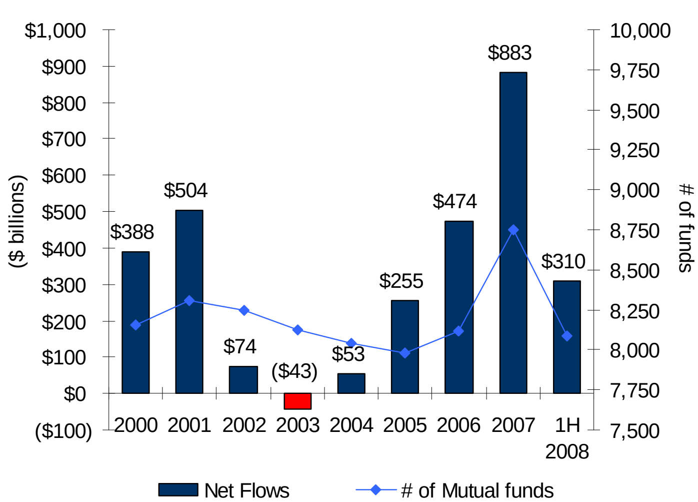
(1) Parent Company Totals

Private Companies or Subsidiaries	Focus
SS&C Technologies	Fund Administration
Citco	Fund Administration
Spectrum Global Fund Admin.	Fund Administration
ALPS Fund Services	Fund Administration
Measurisk	Risk Management

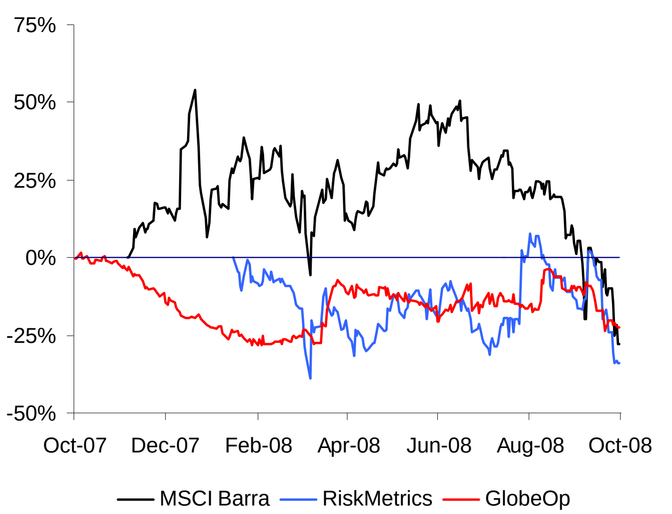
Key Trends

- Growth in hedge fund assets has been a major driver of revenue growth for the sector over the last several years, with a 10 year hedge fund AUM CAGR of 18%. Additionally, the hedge fund of fund sector has created the need for two layers of services (HF and HFOF layers)
- Investors in alternative assets have driven demand for administration and reporting services as well as increased expectations for institutional quality support services from the managers in which they invest. For example, this desire for increased risk management and transparency has boosted businesses such as RiskMetrics and Measurisk
- New products create a great demand for new services and the financial services industry is a great innovator: hedge funds, ETF's, credit derivatives, structured credit products, new indexes, etc. We expect this innovation to continue to be a strong growth catalyst for the Fund Administration & Risk Management sector
- Global capabilities are becoming necessary as investors expand their portfolio holdings. Hedge fund administrators (unlike mutual fund administrators) must operate on a global platform, and increasingly the risk management and related services providers must cover Europe, the U.S. and Asia as well

U.S. Mutual Fund Flows



One Year Stock Returns Ending October 10, 2008



Source: Company Financials, ICI, Freeman & Co. Research

Fund Administration & Risk Management

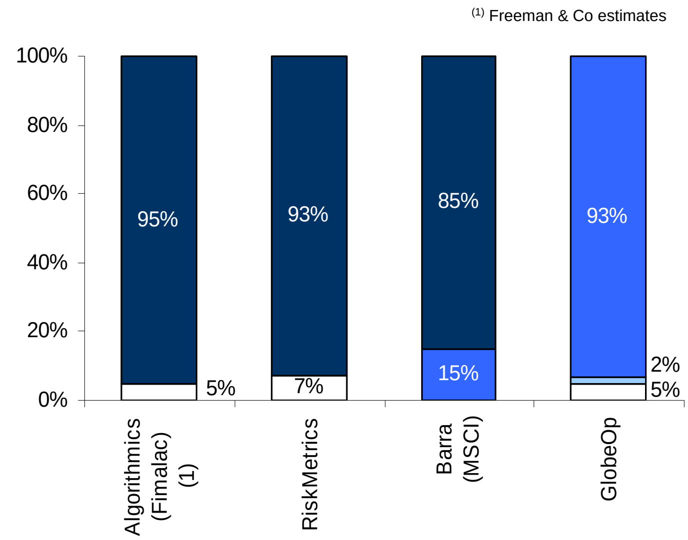
Business & Revenue Model

Fund Administration businesses typically charge fees as basis points of asset under administration whereas Risk Management tools are usually (but not always) offered on a subscription basis. As a result, many of the firms have linked their product/service pricing to the natural growth in AUM of their clients. These business models give firms a high level of recurring revenues and transparency on future cash flows, but link their fate to asset flows in the hedge fund industry which have come under significant pressure in the second half of 2008

Another important feature of this sector is the tendency for oligopolies to be created. As in the custody sector, there are high fixed costs and low variable costs, which can lead to market share concentration. Many new entrants ride the wave of a new product (hedge funds, CDS, etc) to reach critical mass and then squeeze smaller competitors with aggressive pricing.

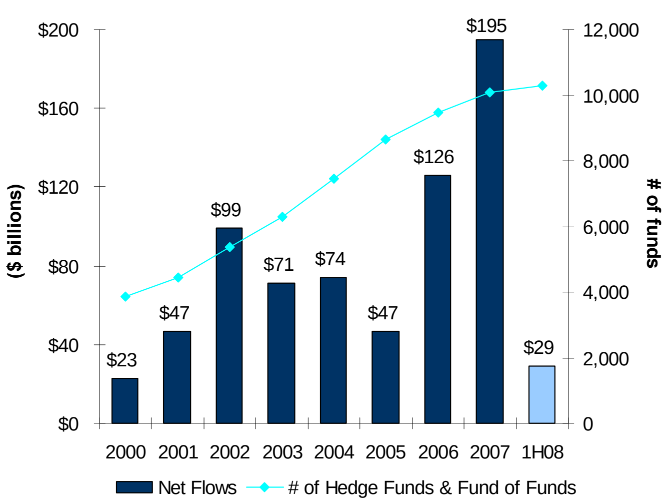
Two examples of firms reaching critical mass are RiskMetrics and GlobeOp. Both firms were able to ride the growth of the alternative asset management industry to reach the scale necessary to go public. At this stage, they have a number of competitive advantages compared to smaller or private firms, including better brand names and lower marginal costs per new client and lower average costs per client – all of which will help them defend or expand their market share in the sector.

Revenue by Type – 2007 Figures

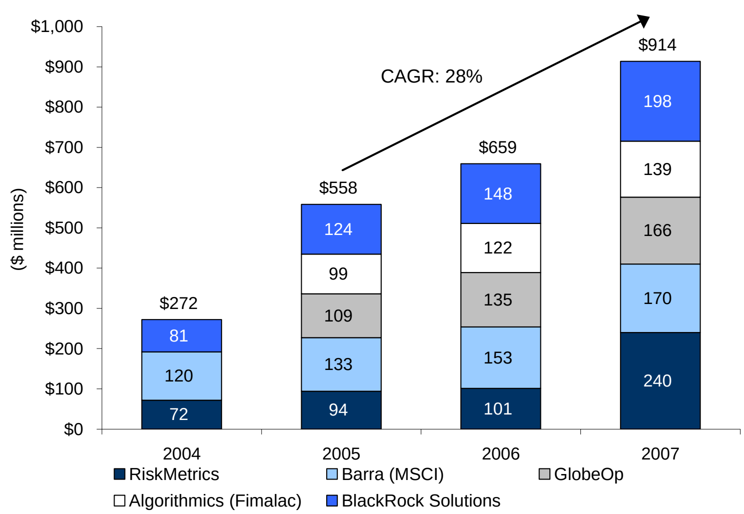


Subscription / Recurring
Asset-Based (bps)
Spread / Interest Rate
Commission / Usage
Services / Advertising
Other

Hedge Fund & Hedge Fund of Fund Flows



Revenue Growth of Key Players



Source: Company Financials, HFR, Freeman & Co. Research

Fund Administration & Risk Management

Selected M&A Activity

- Fund Administration & Risk Management represents an area of interest for private equity firms as it gives them exposure to companies in the financial services industry without having to acquire large balance sheet players. PE investors were active through investments in both GlobeOp and RiskMetrics
- The business models in Fund Administration & Risk Management offer a number of compelling investment theses, including recurring revenue, low variable costs leading to strong operating leverage, lower level of key man risk and oligopolistic competition (e.g. use of only one fund administrator, for example)
- Since 2000, private equity investors have completed 6 M&A transactions and 4 private placements in this sector with a total value of $2 billion
- Strategic acquisitions have been led by (1) the need for additional products/services, and (2) the need to reach operating scale. Deals such as Risk Metrics' acquisition of Institutional Shareholders Services and MSCI's acquisition of Barra fit these goals respectively
- Algorithmics, currently a subsidiary of Fimalac, has gone through a clear maturation process in terms of the investments it has attracted. The firm received a $36 million venture capital investment in 1999, then private equity investment in 2000, before finally being bought by the strategic acquirer Fitch Ratings (later bought by Fimalac) in late 2004

Close Date	Target	Acquirer	Sellers	Deal Type	Deal Value
Algorithmics, Inc.					
Dec-17-2004	Algorithmics, Inc.	The Fitch Group	Consortium	Strategic Acquisition	$175.0
Jan-25-2005	Algorithmics, Inc.	CIBC Capital Partners		PE Investment	$175.0
Sep-13-2000	Algorithmics, Inc.	PE Consortium		PE Investment	$85.0
Jul-21-1999	Algorithmics, Inc.	Teachers' Private Capital, VenGrowth, VenGrowth Asset Management		VC Investment	$36.6
Sep-13-2000	Sentry Financial Systems LLC	Algorithmics, Inc.		Strategic Acquisition	-
Jun-21-2005	Algorithmics Inc., Algo Risk Solution	Plainfield Asset Management LLC	Algorithmics, Inc.	Divestiture	-
ALPS Fund Services, Inc.					
May-15-2008	Price Meadows Incorporated	ALPS Fund Services, Inc		Strategic Acquisition	-
Sep-8-2006	Banc of America Investment Advisors, Advisory Business of Two Closed-end NYSE-Listed Equity Funds	ALPS Fund Services, Inc	Banc of America Investment Advisors, Inc.	Strategic Acquisition	-
Aug-9-2005	ALPS Financial Services Inc.	Lovell Minnick Partners LLC		PE Investment	-
GlobeOp Financial Services S.A					
Oct-06-2003	GlobeOp Financial Services S.A	TA Associates, Inc.	Mezzanine Management UK Ltd.	PE investment	-
MSCI Inc.					
Jun-03-2004	Barra Inc.	MSCI Inc.		Strategic Acquisition	$859.2
RiskMetrics Group, Inc					
Jan-11-2007	Institutional Shareholder Services, Inc.	RiskMetrics Group, Inc	Hermes Pensions Management Limited; Proxy Monitor Inc; Warburg Pincus LLC	Strategic Acquisition	$553.0
Jun-14-2004	RiskMetrics Group, Inc	General Atlantic LLC; Spectrum Equity Investors; Technology Crossover	Consortium	PE investment	$122.0
Jun-14-2004	RiskMetrics Group, Inc	Technology Crossover Ventures Buyer Funds: Technology Crossover Ventures		PE investment	$22.0
Aug-02-2007	Center for Financial Research & Analysis, Inc.	RiskMetrics Group, Inc	TA Associates, Inc.	Strategic Acquisition	-
Apr-01-2003	Arrakis	RiskMetrics Group, Inc	JPMorgan Chase & Co	Strategic Acquisition	-
SS&C Technologies					
Jul-28-1995	SS&C Technologies Holdings Inc	The Carlyle Group		PE Investment	$1,008.0
Feb-17-2005	Financial Models Company Inc.	SS&C Technologies Holdings Inc		Strategic Acquisition	$157.7
Feb-28-2005	SS&C Fund Administration Services LLC	SS&C Technologies Holdings Inc	Eisner LLP	Strategic Acquisition	$25.3
Apr-15-2004	ADP Financial Information Services, Inc., Two Subsidiaries	SS&C Technologies Holdings Inc	ADP Financial Information Services, Inc.	Strategic Acquisition	$20.0
May-16-2005	Financial Interactive, Inc.	SS&C Technologies Holdings Inc		Strategic Acquisition	$13.2
Mar-6-2006	Cogent Management Inc.	SS&C Technologies Holdings Inc		Strategic Acquisition	$12.3
Aug-24-2004	Integral Development Corp., MarginMan Business	SS&C Technologies Holdings Inc	Integral Development Corp.	Strategic Acquisition	$5.6
Nov-15-2002	DBC	SS&C Technologies Holdings Inc	Thomson Financial Municipals Group	Strategic Acquisition	$4.5
Jan-20-2004	Investment Advisory Network	SS&C Technologies Holdings Inc		Strategic Acquisition	$3.0
Aug-21-2006	Zoologic Inc.	SS&C Technologies	Consortium	Strategic Acquisition	$2.6
Oct-14-2003	SS&C Fund Services N.V.	SS&C Technologies Holdings Inc	Corp Fund Services N.V.	Strategic Acquisition	$1.8
Mar-13-2007	Northport LLC	SS&C Technologies Holdings Inc		Strategic Acquisition	-
Mar-11-1999	HedgeWare Inc	SS&C Technologies Holdings Inc		Strategic Acquisition	-
Mar-9-1998	The SAVID Group, Inc.	SS&C Technologies Holdings Inc		Strategic Acquisition	-

Sources: Freeman & Co. Research, Capital IQ

Processing & Custody

Description

The processing and custody industry provides the back-office services that allow financial assets to be held, warehoused and exchanged. Growth in the number of financial products, rising trading volumes, and overall growth in financial assets has led to steady growth and an expansion of the industry into additional information and banking services. As noted, mutual fund AUM has been growing at 14% and hedge fund AUM at 18% over 10+ years.

Key Players: Public & Private

($ millions)

Public Company/ Subsidiary	Market Cap as of 10/10/08	2007 Revenue	Full-Time Employees	IPO date
Citi Transactions Services (Citigroup)	$76,835 [1]	$7,840	380,500 [1]	Jan-77
BNY Mellon [2]	30,371 [1]	5,313	42,600 [1]	Sep-84
State Street	18,652	8,336	27,875	Jul-86
PFPC Division (PNC)	23,562 [1]	863	4,784 [1]	Sep-88
Broadridge	1,596	2,138	4,241	Apr-07

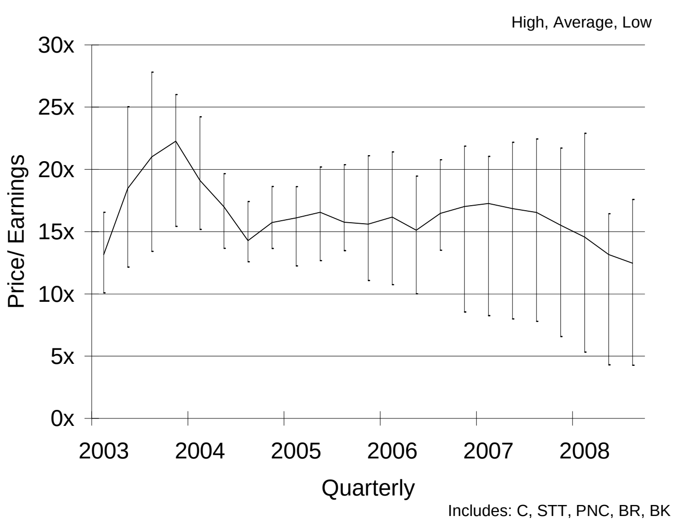
[1] Parent Company Totals

[2] Only includes Asset Servicing and Clearing & Execution Services Revenue

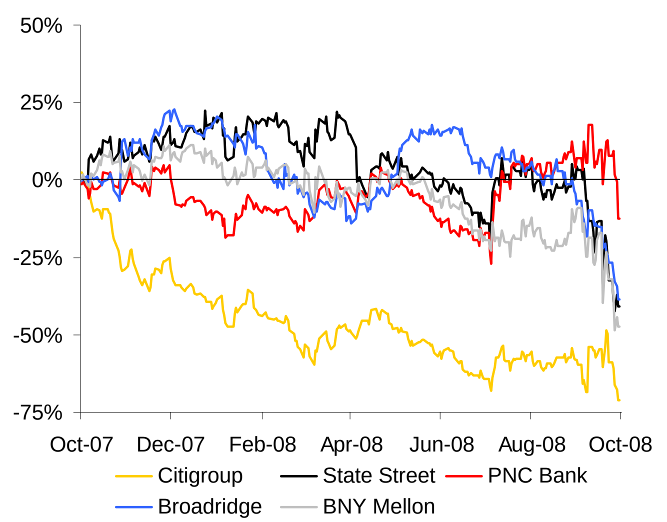
Key Trends

- Firms in this space are relatively well insulated from the credit crunch as customers' need for financial asset warehousing and administration is relatively independent of the current market cycle. However, changes in net financial assets due to market turbulence affects both AUM- and transaction-based revenue
- Sharp growth in transaction volume and AUM, particularly among derivatives and new products such as ETFs, have increased the need for firms in this sector to offer innovative tools and services to manage and analyze clients' holdings as well as offer real time data and analytic products
- Firms will continue to expand their product offerings beyond the traditional asset warehousing and administration into areas such as performance & risk analytics and information management products. Given the current downturn, we expect some niche players may be forced to merge with larger firms to survive
- Global Expansion will remain a top priority among industry leaders as the development and advancement of emerging and developed markets abroad leads to new opportunities for information processing and administration solutions. Additionally, investment products and managers, largely driven by hedge funds have become more global in scope and will continue to do so

P/E Multiple Spreads



One Year Stock Returns Ending October 10, 2008



Source: Company Financials, Freeman & Co. Research

Processing & Custody

Business & Revenue Model

The majority of firms in the sector offer a range of services including: custody, fund accounting, daily pricing and administration, transfer services and record keeping.

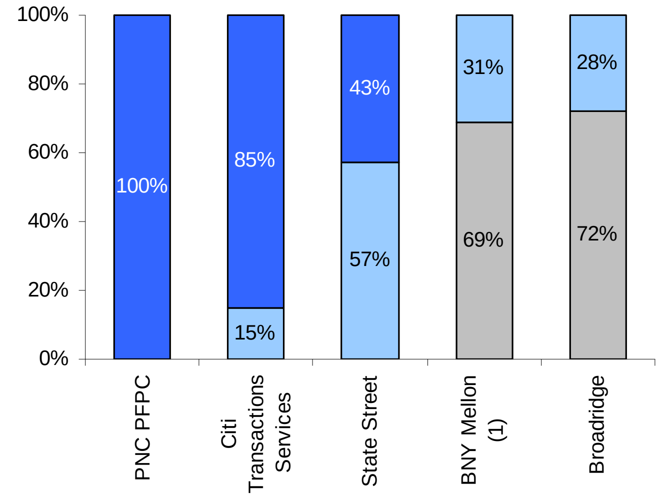
The business models of these firms are driven by AUM and transaction volume. Servicing fees are impacted, in part, by changes in assets under custody, although they are less sensitive than typical asset management fees

Fee revenue in this sector is extremely price competitive as industry leaders bundle these services with higher margin investment management business. As with other sectors which require high fixed costs, but have low marginal costs, an oligopoly has developed in the Processing & Custody space with 3-4 main competitors.

As a result, companies are moving beyond traditional trade processing and custody services to more value-added solutions that produce higher margins. As innovative products by private firms become standardized over time, the small firms face a key decision on staying independent or selling to a large scale player. Since Wall Street constantly innovates, some small firms will be able to repeat their success while others will chose to exit. This process creates numerous private equity opportunities as well.

Revenue by Type – 2007 Figures

(1) BNY Mellon Revenue only includes Asset Servicing and Clearing & Execution Services



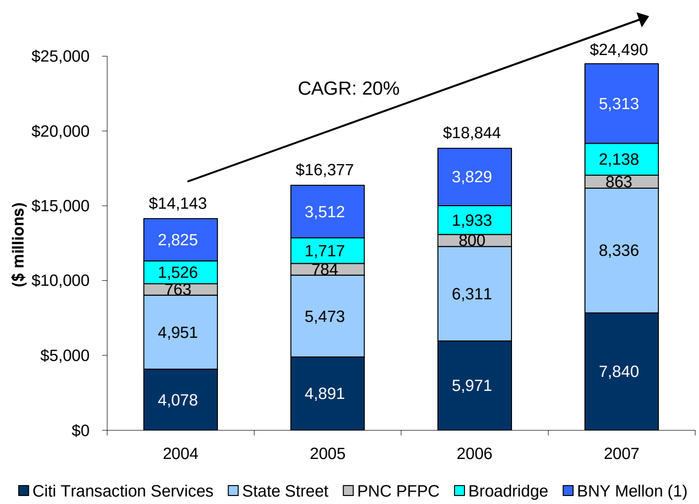
Subscription / Recurring
Asset-Based (bps)
Spread / Interest Rate
Commission / Usage
Services / Advertising
Other

Custody Industry by Top Provider[1]

Rank	Provider	AUC $ billion	% Share	Cumulative Share
1	BNY Mellon	$23,077	20%	20%
2	JP Morgan	15,614	14%	34%
3	State Street	15,299	13%	47%
4	Citi	13,088	11%	58%
5	HSBC Securities	6,097	5%	64%
6	BNP Paribas	5,595	5%	69%
7	Societe Generale	4,318	4%	72%
8	Northern Trust	4,100	4%	76%
9	UBS AG	3,800	3%	79%
10	CACEIS	3,358	3%	82%

(1) Most recent available data used; all figures from within last twelve months

Revenue Growth of Key Players



(1) BNY Mellon revenue numbers only include Asset Servicing and Clearing & Execution Services

Source: Company Financials, Freeman & Co. Research, Globalcustody.net

Processing & Custody

Selected M&A Activity

- Innovative software solutions for clearing, fund administration, client relationship management and billing were all common M&A themes for Processing & Custody companies
- BNY Mellon and DST both acquired private equity-funded companies including Ember Corporation, Asurion Corporation, and New River Inc
- New product and service innovations create ample opportunities for private equity firms and the oligopolistic structure of the industry creates well-identified exit opportunities
- In the past 3 years, private equity firms have completed 4 major transactions with a total value of $3.7 billion

Close Date	Target	Acquirer	Sellers	Deal Type	Deal Value
The Bank of New York Mellon Corporation					
Aug-10-2007	aQuantive Inc.	Microsoft Corporation	BNY Western Trust Co.		$6,042.8
Sep-30-2004	Ember Corporation	Consortium			$25.0
Nov-07-2007	Zip Trade Technologies Inc.	G-Trade Services Ltd.; Luminary Acquisition Corp.			$20.0
May-22-2006	Salesnet Inc.	Rightnow Technologies Inc.	Phoenix Investment Partners, Ltd.; Prism VentureWorks; WestLB Mellon Asset Management		$9.0
Jun-12-2006	TD Banknorth, N.A., Bond Administration Business	Bank of New York Trust Company, NA	TD Banknorth, National Association		-
Oct-11-2005	Blue Frog Solutions, Inc.	Pershing LLC; Security Benefit Group,			-
Broadridge Financial Solutions Inc.					
Mar-30-2007	ADP Brokerage Services Group		Automatic Data Processing, Inc.		$2,691.4
Aug-31-2007	Finaplex, Inc.	Broadridge Financial Solutions Inc.			-
Jul-19-2006	SalesLink Corp.	Broadridge Investor Communication Solutions, Inc.	CMGI Inc.		-
Nov-01-2004	ADP Clearing & Outsourcing Services, Inc.	ADP Brokerage Services Group	Banc of America Securities LLC		-
-	Dataphile Software Ltd.	ADP Brokerage Services Group			-
PNC Bank (PFPC Division)					
Dec-7-2007	Coates Analytics Group	PNC Bank	Ben Franklin Technology Partners		-
Nov-01-2007	Albridge Solutions, Inc.	PNC Bank	Consortium		-
Sep-22-2005	The Recievable Management Services Corporation	Citi Venture Capital International	Consortium, including PNC Equity		-
Sep-15-2003	ADVISORport Inc,	PNC Bank	Consortium		-
Apr-17-2003	PFPC Retirement Services Business	Wachovia	PNC Bank		$26.4
State Street Corp.					
Jul-02-2007	Investors Financial Services Corp.	State Street Corp.			$4,459.0
Jan-31-2003	Deutsche Bank AG, Global Securities Services Business	State Street Corp.	Deutsche Bank AG (DB:DBK)		$1,490.0
Mar-11-2008	FinancialSockets, Inc.	State Street Corp.			-
Aug-08-2007	Palmeri Fund Administrators, Inc.	State Street Corp.			-
Oct-02-2003	Bank of Ireland, Fund Administration And Custody Services	State Street Corp.	The Governor and The Bank of Ireland		-

Source: Freeman & Co. Research, Capital IQ

Data, Information & Software

Description

Data, Information & Software companies provide tools and information to financial institutions either through web-based interfaces, software programs or other more traditional media such as print, television and radio. Companies in this sector depend on the steady demand for financial information, the worldwide growth in the number of users of financial information and the increase in both number and complexity of financial instruments.

Key Players: Public & Private

($ millions)

Public Company/ Subsidiary	Market Cap as of 10/10/08	2007 Revenue	Full-Time Employees	IPO date
Thomson Financial (Thomson Reuters)	$18,364 [1]	$2,186	32,375 [1]	Jun-02
Fiserv	5,903	3,922	25,000	Sep-86
Advent Software	707	215	946	Nov-95
Factset	2,063	476	1,735	Jun-96
Interactive Data Corp	1,823	690	2,304	Mar-93
Dealogic	135	93	469	May-04
EDGAR Online	40	18	78	Jun-99

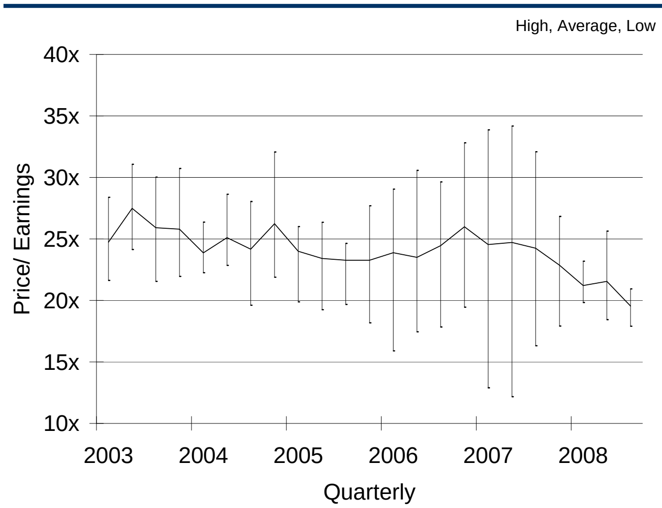
[1] Parent Company Totals

Private Companies	Focus
Bloomberg	Data, Information & Software
Sungard Data Systems	Data, Information & Software

Key Trends

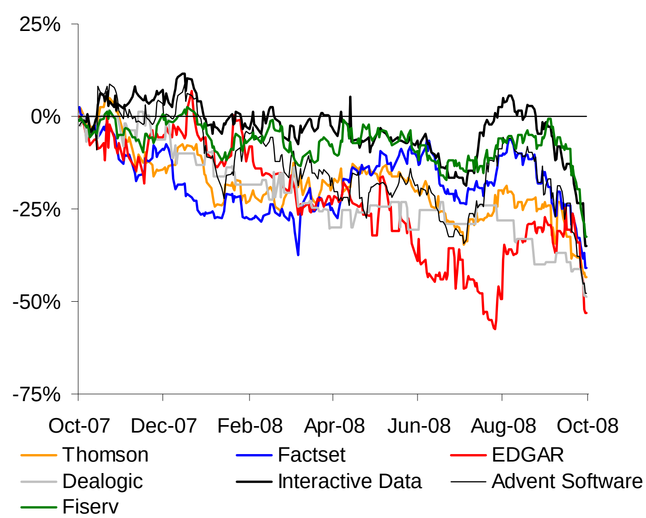
- Financial market volumes continue to increase which has led to an increased demand for highly-detailed, up-to-the-millisecond market information, especially among investors employing algorithmic trading strategies
- As the complexity and number of financial instruments grow, risk management and compliance are of increasing importance, which also increases the demand for market data and analysis. The current credit crisis has only amplified this importance
- Thomson announced the $18 billion acquisition of Reuters Group PLC in May 2007 and the deal closed in the second quarter of 2008. This deal significantly shook up the data provider and financial news marketplace, creating an industry giant with 34% market share in the sector, nearly that of Bloomberg
- Financial hubs are developing outside of the U.S. and London in Asia, the Middle East and Eastern Europe which will serve as a catalyst for increasing data product offerings in emerging markets
- Growth in new media business models is outpacing traditional media, impacting the way financial information is delivered and the interaction between data and investment decisions. Many of these internet based service offerings have lower cost structures and may be a competitive threat to some players

P/E Multiple Spreads



Includes: TRI, FISV, ADVS, FDS, EDGR, IDC; Dealogic not included

One Year Stock Returns Ending October 10, 2008



Source: Company Financials, Freeman & Co. Research

Data, Information & Software

Business & Revenue Model

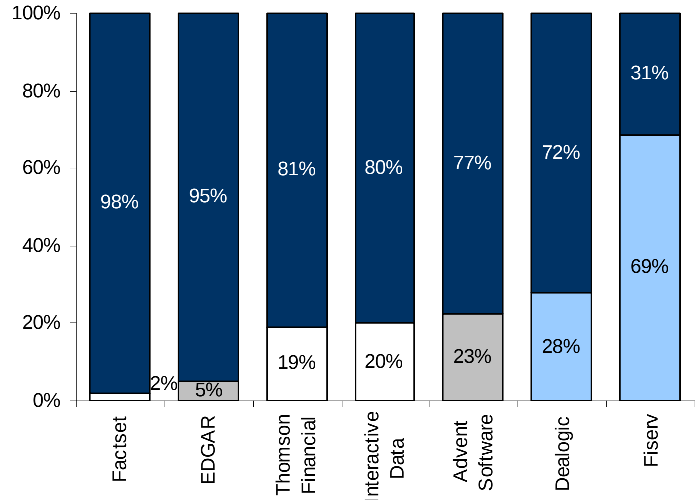
Data, Information & Software companies charge financial institutions for obtaining, aggregating, storing, evaluating and distributing financial market data worldwide. Many of the larger players outsource some of the data gathering to smaller firms and then redistribute the data similar to a sub-advisory model in asset management.

Data, Information & Software companies typically provide these services on a subscription basis or on a usage basis. Subscriptions are mainly charged on a per-user basis and usage contracts are based on the amount of data actually downloaded or viewed by the customer.

Market data typically needs to be integrated into the customers' financial content to assist in investment decision, service and support, sales and marketing, regulatory compliance and other business functions. Thus, data providers typically offer their expertise and technical know-how as a consulting service as well.

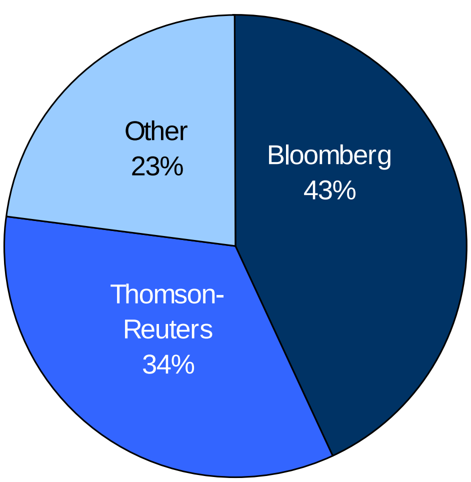
Due to increased competition from niche players and internet-based companies that offer free information, the established large players in the sector are segmenting their markets and developing solutions that will allow them to remain relevant to their largest customers and defend their turf against growing basic mass market options.

Revenue by Type – 2007 Figures

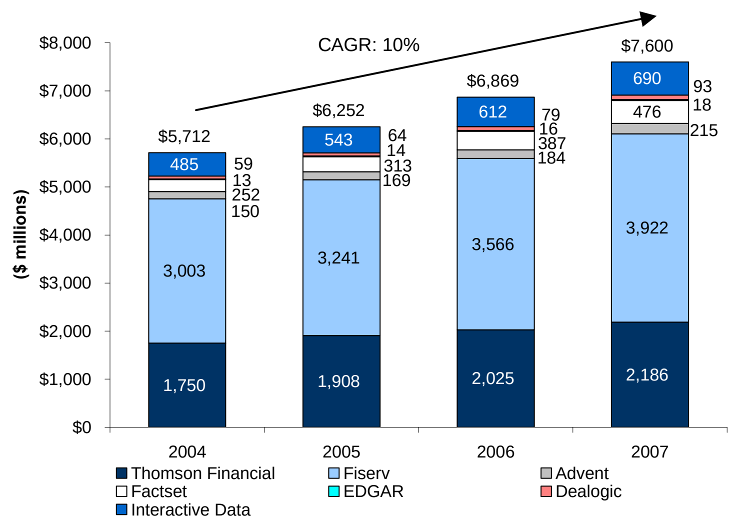


Subscription / Recurring
Asset-Based (bps)
Spread / Interest Rate
Commission / Usage
Services / Advertising
Other

Financial Information, Data & Software Market Share



Revenue Growth of Key Players



Source: Company Financials, Freeman & Co. Research

Data, Information & Software

Selected M&A Activity

- The Thomson Reuters merger, completed in April 2008 for $18.2 billion, represents a landmark transaction in the Data, Information & Software sector. The combined firms' 34% market share will challenge Bloomberg for dominance in the sector
- Bloomberg's repurchase of 20% of the company from Merrill Lynch, completed in July 2008, was another important transaction in Data, Information & Software. The continuing questions surrounding the independence of Bloomberg as a privately-held company will impact the M&A landscape in the sector in the future
- Private equity investors found opportunities in the space through Sungard, which at the time was the biggest LBO since 1989, and through smaller investments such as Quantitative Analytics (now part of Thomson Reuters) and Merger stat (now part of FactSet)

Close Date	Target	Acquirer	Sellers	Deal Type	Deal Value
Fiserv Inc.					
Aug-2-2007	CheckFree Corp.	Fiserv Inc.		Strategic Acquisition	$4,564.0
May-24-2007	Fiserv Trust Company	TD AMERITRADE	Fiserv Inc.	Divestiture	$325.0
Oct-15-2007	BancIntelligence.com	Fiserv Inc.	Imlay Investments Inc.	Strategic Acquisition	-
Jan-24-2008	Del Mar Datatrac, Inc.	TVC Ventures, LLC	Fiserv Inc.	Divestiture	-
Advent Software					
Apr-27-2007	LatentZero Limited	Fidessa Group	Advent Software	Divestiture	$124.8
Nov-28-2007	MicroEdge Limited	Advent Software		Strategic Acquisition	-
Feb-01-2007	East Circle Solutions Inc.	Advent Software		Strategic Acquisition	-
Bloomberg L.P.					
Jul-17-2008	Bloomberg L.P.	Bloomberg L.P.	Merrill Lynch	Buyback	$4,500.0
Apr-10-2006	Brainpower NV	Bloomberg L.P.	Rothschild Investment Partners	Strategic Acquisition	$45.9
Sep-15-2005	Bloomberg Wealth Manager Magazine	Highline Media LLC	Bloomberg L.P.	Divestiture	-
Sep-5-2006	National Stock Exchange	Consortium including Bloomberg		Strategic Acquisition	-
EDGAR Online Inc.					
Oct-16-2000	Financial Insight Systems Inc.	EDGAR Online Inc.		Strategic Acuisition	$27.5
Apr-5-2007	EDGAR Online Inc.	Rosenthal & Rosenthal, Inc.		PE Investment	$5.0
Sep-25-2000	InsiderTrader.com	EDGAR Online Inc.	WisdomTree Investments, Inc.	Strategic Acquisiton	-
May-1-1998	EDGAR Online Inc.	RVC (Reuters Venture Capital)		VC Investment	-
FactSet Research Systems Inc.					
Sep-01-2004	JCF Group	FactSet Research Systems Inc.		Strategic Acquisition	$67.0
Aug-01-2005	Derivative Solutions Inc.	FactSet Research Systems Inc.		Strategic Acquisition	$53.8
Sep-01-2005	StreamVPN Limited	FactSet Research Systems Inc.		Strategic Acquisition	$22.7
Jan-31-2008	DealMaven, Inc.	FactSet Research Systems Inc.		Strategic Acquisition	$14.0
Jan-04-2005	FactSet TrueCourse, Inc.	FactSet Research Systems Inc.		Strategic Acquisition	$7.7
Jan-23-2003	Factset Mergerstat LLC.	FactSet Research Systems Inc.	Houlihan Lokey Howard & Zukin	Strategic Acquisition	$7.7
Feb-27-2006	Europrospectus.com Ltd.	FactSet Research Systems Inc.	HAL Investments B.V.	Strategic Acquisition	$7.5
Interactive Data Corp.					
Jan-16-2003	Interactive Data Real Time Services, Inc.	Interactive Data Corporation	The McGraw-Hill Companies, Inc.	Strategic Acquisition	$115.0
Nov-9-2005	Interactive Data Managed Solutions AG	Interactive Data Real Time Services	Consortium	Strategic Acquisition	$57.0
Jan-2-2002	Merrill Lynch & Co. Inc., Securities Pricing Service	Interactive Data Corporation		Strategic Acquisition	$48.0
Feb-1-2006	Quote.com Inc.	Interactive Data Corporation	Lycos, Inc.	Strategic Acquisition	$30.0
Jun-26-2008	Kler's S.r.l.	Interactive Data Corporation		Strategic Acquisition	$29.9
Dec-29-2000	MarketWatch Inc.	Interactive Data Corporation, Pearson		Strategic Acquisition	$26.9
Apr-4-2007	Interactive Data Xcitek	Interactive Data Corporation		Strategic Acquisition	$25.3
Jan-9-2006	Interactive Data Corporation	Pearson plc		Strategic Acquisition	$24.5
Aug-16-2004	FutureSource LLC	Interactive Data Corporation		Strategic Acquisition	$18.0
Oct-6-2003	FT Interactive Data Corp, Index Distribution Operations	Russell/Mellon CAPS	Interactive Data Corporation	Divestiture	-
Nov-15-1999	Interactive Data Corporation	Pearson plc		Strategic Acquisition	-
Sungard Data Systems Inc					
Dec-20-2006	Automated Financial Systems Corporation	SunGard Data Systems Inc.		Strategic Acquisition	-
Mar-31-2006	SunGard Wealth Management Services LLC	Reliance Trust Company	SunGard Data Systems Inc.	Divestiture	-
Oct-2-2006	Soliton Inc., TimeSquare Business	SunGard Data Systems Inc.	Soliton, Incorporated	Strategic Acquisition	-
Jul-2-2008	Delphi Technologies Limited	SunGard Data Systems Inc.		Strategic Acquisition	-
Feb-29-2008	Advanced Portfolio Technologies, Inc.	SunGard Data Systems Inc.		Strategic Acquisition	-
Mar-15-2006	Dataware Solutions, Inc.	SunGard Data Systems Inc.		Strategic Acquisition	-
Thomson Reuters Corporation					
Apr-17-2008	Reuters Group PLC	Thomson Corp		Strategic Acquisition	$18,266.5
May-09-2003	Thomson Elite	Thomson Corp		Strategic Acquisition	$110.2
Jul-12-2007	FERI Fund Market Information Ltd.	Thomson Corp	Feri Rating and Research GmbH	Strategic Acquisition	$5.4
Mar-02-2006	Quantitative Analytics, Inc.	Thomson Corp	TA Associates, Inc.	Strategic Acquisition	-

Sources: Freeman & Co. Research, Capital IQ

Public Company Comparables

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

Sub-Sector / Company Name	Stock Price 12/31/07	Stock Price 10/10/08	YTD % Chg	Mkt Cap 10/10/08	Book Value	EV / Revenue 2007	EV / Revenue LTM (1)	EV / Pre-Tax 2007	EV / Pre-Tax LTM (1)	Price / Earnings 2007	Price / Earnings LTM (1)	Price / Earnings 2008E (2)	Price / BV 2007	Price / BV 6/30/08 (1)
Ratings & Advice														
Morningstar Inc.	$77.75	$46.18	-41%	$2,144	$498	8.6x	4.6x	29.7x	15.1x	50.7x	24.8x	22.1x	9.2x	4.5x
Moody's Corp.	35.70	23.26	-35%	5,668	NM	4.3	3.1	8.3	6.5	13.9	11.5	12.4	NM	NM
The McGraw-Hill Companies	43.81	21.81	-50%	6,927	1,510	2.2	1.1	9.3	5.0	14.9	8.1	8.2	9.4	4.7
TheStreet.com Inc.	15.92	3.89	-76%	119	157	7.2	1.7	30.4	9.2	35.4	10.8	14.5	3.1	0.8
thinkorswim Group, Inc.	17.74	6.75	-62%	446	196	3.7	1.3	46.9	6.7	52.0	7.1	7.9	7.2	2.4
Value Line, Inc.	40.72	34.02	-16%	340	88	4.9	4.1	10.6	9.0	16.5	13.3	NA	5.4	3.9
					Average	**5.1x**	**2.6x**	**22.5x**	**8.6x**	**30.6x**	**12.6x**	**13.0x**	**6.8x**	**3.3x**
					Median	**4.6x**	**2.4x**	**20.1x**	**7.8x**	**25.9x**	**11.1x**	**12.4x**	**7.2x**	**3.9x**
Distribution & Intermediation														
Ameriprise Financial, Inc.	$55.11	$21.62	-61%	$4,690	$7,314	1.5x	0.6x	10.6x	4.7x	16.2x	5.9x	5.9x	1.7x	0.7x
Charles Schwab Corp.	25.55	20.20	-21%	23,265	3,891	6.3	4.5	16.8	11.9	27.9	19.0	19.3	8.4	6.1
E*TRADE Financial Corp.	3.55	2.23	-37%	1,198	2,637	NM	NM	NM	NM	NM	NM	NM	0.5	0.4
optionsXpress Holdings, Inc.	33.82	14.12	-58%	848	246	8.6	3.4	13.4	5.5	21.8	8.8	9.1	7.7	3.6
Raymond James Financial, Inc.	32.66	21.24	-35%	2,569	1,847	1.4	0.9	10.3	6.3	15.5	10.2	9.9	2.2	1.4
TD Ameritrade Holding Corp.	20.06	13.12	-35%	7,774	2,750	5.6	3.3	11.5	6.1	18.9	9.5	9.7	5.6	2.9
TradeStation Group, Inc.	14.21	6.49	-54%	282	154	4.2	1.8	11.5	5.6	18.2	8.7	9.6	4.5	1.9
					Average	**4.6x**	**2.4x**	**12.3x**	**6.7x**	**19.7x**	**10.3x**	**10.6x**	**4.4x**	**2.4x**
					Median	**4.9x**	**2.6x**	**11.5x**	**5.8x**	**18.5x**	**9.1x**	**9.6x**	**4.5x**	**1.9x**
Fund Administration & Risk Management														
BlackRock, Inc.	$216.80	$159.00	-27%	$18,638	$12,130	5.9x	3.9x	19.5x	12.4x	28.8x	19.3x	61.9x	2.5x	1.7x
MSCI Inc.	38.40	17.20	-55%	1,721	251	10.4	4.8	28.8	15.4	47.3	24.5	16.5	19.2	7.7
RiskMetrics Group, Inc.	NA	15.99	NA	968	346	NA	3.5	NA	73.7	NA	NM	38.1	NA	2.8
GlobeOp Financial Services S.A.	3.60	3.01	-16%	309	80	NA	2.2	NA	13.0	NA	14.2	12.8	NA	5.1
					Average	**8.1x**	**3.6x**	**24.2x**	**28.6x**	**38.1x**	**19.4x**	**32.3x**	**10.8x**	**4.3x**
					Median	**8.1x**	**3.7x**	**24.2x**	**14.2x**	**38.1x**	**19.3x**	**27.3x**	**10.8x**	**4.0x**
Processing & Custody														
The Bank of New York Mellon Corp.	$48.76	$26.50	-46%	$30,371	$28,569	4.0x	2.1x	12.6x	7.1x	20.5x	12.7x	10.2x	1.6x	1.1x
Broadridge Financial Solutions Inc.	22.43	11.36	-49%	1,596	746	1.4	0.7	9.8	4.9	15.8	8.3	7.4	5.9	2.1
Citigroup Inc.	29.44	14.11	-52%	76,835	136,405	2.3	1.2	45.5	NM	41.1	NM	NM	1.3	0.5
PNC Financial Services Group Inc.	65.65	68.00	4%	23,562	15,108	3.4	3.4	9.1	9.4	15.1	16.0	14.6	1.5	1.5
State Street Corp.	81.20	43.20	-47%	18,652	14,039	3.6	1.7	11.0	5.1	23.5	10.3	8.3	2.6	1.2
					Average	**2.9x**	**1.8x**	**17.6x**	**6.6x**	**23.2x**	**11.8x**	**10.1x**	**2.6x**	**1.3x**
					Median	**3.4x**	**1.7x**	**11.0x**	**6.1x**	**20.5x**	**11.5x**	**9.3x**	**1.6x**	**1.2x**
Data, Information & Software														
Advent Software, Inc.	$54.10	$26.37	-51%	$707	$204	7.1x	3.1x	106.7x	38.8x	NM	43.2x	27.0x	8.4x	3.6x
EDGAR Online Inc.	3.40	1.53	-55%	40	4	4.9	2.1	NM	NM	NM	NM	NA	17.6	9.3
Fiserv Inc.	55.49	35.99	-35%	5,903	2,848	2.4	1.3	13.8	8.6	23.0	15.1	10.8	3.8	2.1
Factset Research Systems Inc.	55.70	43.02	-23%	2,063	456	5.7	3.9	17.5	11.8	26.1	17.8	15.8	7.0	4.7
Interactive Data Corp.	33.01	19.43	-41%	1,823	1,012	4.6	2.6	17.4	9.4	25.4	13.8	14.1	3.3	1.9
Thomson Reuters Corp.	40.75	23.27	-43%	18,364	21,666	2.8	1.5	29.2	16.6	32.4	21.4	12.9	1.6	0.9
Dealogic plc	3.47	1.91	-45%	135	81	3.1	1.7	8.0	5.1	12.4	8.2	12.7	3.2	1.9
					Average	**4.4x**	**2.3x**	**32.1x**	**15.1x**	**23.9x**	**19.9x**	**15.5x**	**6.4x**	**3.5x**
					Median	**4.6x**	**2.1x**	**17.4x**	**10.6x**	**25.4x**	**16.4x**	**13.5x**	**3.8x**	**2.1x**
					Overall Average	**4.6x**	**2.5x**	**21.5x**	**12.4x**	**25.5x**	**14.5x**	**15.7x**	**5.5x**	**2.9x**
					Overall Median	**4.3x**	**2.2x**	**13.4x**	**8.8x**	**22.4x**	**12.7x**	**12.7x**	**4.1x**	**2.1x**

Source: Publicly available SEC filings, Capital IQ, Bloomberg and IBES estimates

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

(1) LTM based on calendar year ended Q2 2008. LTM financials as of 4/30/08 for VALU; 5/31/08 for MXB and FDS

(2) Based on consensus Bloomberg estimates as of 10/13/08; Estimates for firms with fiscal year-ends other than 12/31/08 have been calendarized

Freeman & Co. Transactions

Financial Servicing, Processing & Technology Transactions

The Bank of New York
GTCR
Eze Castle Software
have merged
The Bank of New York
Eze Castle Software
to form
BNY ConvergEx Group
Acted as financial advisor to GTCR
October 2, 2006
Freeman & Co. Securities LLC

CONSTELLATION
has been acquired by
SG CORPORATE & INVESTMENT BANKING
Acted as financial advisor to Constellation Financial Management LLC, FEP Holdings L.P. and its affiliates
July 17, 2003
Freeman & Co. LLC

The structured products business of
ZURICH CAPITAL MARKETS
has been acquired by
BNP PARIBAS
Acted as financial advisor to Zurich Capital Markets, Inc.
July 11, 2003
Freeman & Co. Securities LLC

$1.3 billion AUM
LYRA CAPITAL LLC
has completed the management buyout of
Zurich Benchmark Series
from
ZURICH CAPITAL MARKETS
Acted as financial advisor to Zurich Capital Markets, Inc.
October 16, 2003
Freeman & Co. LLC

THE BANK OF NEW YORK
has acquired
Trotter Kent
Acted as financial advisor to The Bank of New York,
January 1999
Freeman & Co. LLC

The Mortgage Loan and Real Estate Division of
CONNING
a wholly owned subsidiary of
Swiss Re
has been acquired by
KeyCorp
Acted as financial advisor to Swiss RE,
June 28, 2002
Freeman & Co. LLC

SG CORPORATE & INVESTMENT BANKING
has acquired from
FEP Capital II
a 51% stake in
Lightning Finance Limited
a joint venture with
FRANKLIN TEMPLETON INVESTMENTS
Acted as financial advisor to Constellation Financial Management Company LLC, FEP Holdings L.P. and its affiliates
July 17, 2003
Freeman & Co. LLC

Electronic Trading & Technology Transactions

PALI CAPITAL
has raised a undisclosed amount of capital from
GRUPO MUNDIAL
UN MUNDO DE SOLUCIONES
The undersigned acted as financial advisor to Pali Capital, Inc.
August 2008
Freeman & Co. Securities LLC

CARLIN FINANCIAL GROUP
has been acquired by
RBC Capital Markets
Acted as financial advisor to Carlin Financial Group
January 2, 2007
Freeman & Co. Securities LLC

ESP
Electronic Specialist LLC
ESP has been recapitalized and received a growth equity investment from
BEAR STEARNS
CREDIT SUISSE
SIG SUSQUEHANNA GROWTH EQUITY, LLC
The undersigned acted as advisor to ESP Technologies, LLC
May 17, 2007
Freeman & Co. Securities LLC

citigroup
has acquired
LAVA
Acted as financial advisor to Citigroup Inc.
August 2004
Freeman & Co. Securities LLC

neovest
High Performance Trading Technology™
has been acquired by
JPMorgan
Acted as financial advisor to Neovest Holdings, LLC
Pending Closure
Freeman & Co. Securities LLC

$105,000,000
ITG
Investment Technology Group, Inc.
has acquired
HOENIG
Hoenig Group, Inc.
Acted as financial advisor to ITG,
September 3, 2002
Freeman & Co. LLC

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Thematic Industry

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- *Are Hedge Fund M&A Deals a Sustainable Trend?* (January 2005)
- *Convergence in Alternatives* (November 2004)

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