



# Investnet Reports Fourth Quarter and Full Year 2013 Financial Results

CHICAGO--(BUSINESS WIRE)-- Investnet (NYSE:ENV), a leading provider of unified wealth management technology and services to financial advisors, today reported financial results for its fourth quarter and full year ended December 31, 2013.

| Key Financial Metrics<br>(in millions except per share data) | Fourth Quarter |         |          | Full Year |         |          |
|--|----------------|---------|----------|-----------|---------|----------|
|  | 2013           | 2012    | % Change | 2013      | 2012    | % Change |
| Adjusted Revenues <sup>(1)</sup>                             | \$ 74.4        | \$ 44.6 | 67%      | \$242.7   | \$158.5 | 53%      |
| Adjusted EBITDA <sup>(1)</sup>                               | \$ 11.0        | \$ 7.2  | 53%      | \$ 38.6   | \$ 24.0 | 61%      |
| Adjusted Net Income per Share <sup>(1)</sup>                 | \$ 0.15        | \$ 0.10 | 50%      | \$ 0.54   | \$ 0.32 | 69%      |

## Financial Results for the Fourth Quarter of 2013 Compared to the Fourth Quarter of 2012:

- Adjusted Revenues<sup>(1)</sup> increased 67% to \$74.4 million for the fourth quarter of 2013 from \$44.6 million for the fourth quarter of 2012.
- Revenues from assets under management (AUM) or assets under administration (AUA) increased 83% to \$63.4 million for the fourth quarter of 2013 from \$34.7 million for the fourth quarter of 2012; total revenues, which include licensing and professional services fees, increased 68% to \$74.4 million for the fourth quarter of 2013 from \$44.4 million for the fourth quarter of 2012.
- Adjusted EBITDA<sup>(1)</sup> increased 53% to \$11.0 million for the fourth quarter of 2013 compared to \$7.2 million for the fourth quarter of 2012.
- Adjusted Net Income<sup>(1)</sup> was \$5.4 million, or \$0.15 per diluted share, for the fourth quarter of 2013 compared to \$3.3 million, or \$0.10 per diluted share, for the fourth quarter of 2012.
- Net income was \$0.7 million, or \$0.02 per diluted share, for the fourth quarter of 2013 compared to a net loss of (\$0.2) million, or \$(0.00) per diluted share, for the fourth quarter of 2012.

## Financial Results for the Full Year of 2013 Compared to the Full Year of 2012:

- Adjusted Revenues<sup>(1)</sup>, increased 53% to \$242.7 million for 2013 from \$158.5 million for 2012.
- Revenues from AUM or AUA increased 58% to \$200.6 million for 2013 from \$127.2 million for 2012; total revenues, which include licensing and professional services fees, increased 54% to \$242.5 million for 2013 from \$157.3 million for 2012.

- Adjusted EBITDA<sup>(1)</sup> increased 61% to \$38.6 million for 2013 compared to \$24.0 million for 2012.
- Adjusted Net Income<sup>(1)</sup> was \$19.1 million, or \$0.54 per diluted share, for 2013 compared to \$10.6 million, or \$0.32 per diluted share, for 2012.
- Net income was \$3.7 million, or \$0.10 per diluted share, for 2013 compared to \$0.5 million, or \$0.01 per diluted share, for 2012.

“Envestnet is transforming wealth management and how advisors render advice to their clients. We deliver unified wealth management solutions to clients across the financial services industry, whether registered investment advisors, broker dealers, or bank trust departments. Envestnet’s platform now supports more than 30,000 advisors and over \$500 billion in assets, demonstrating growing support among advisors.” said Jud Bergman, Chairman and CEO.

“We sustained our strong financial performance during the fourth quarter, growing revenue and adjusted EBITDA by 67 percent and 53 percent, respectively, compared to last year. We believe Envestnet is well positioned for meaningful growth in 2014 and beyond,” concluded Mr. Bergman.

#### **Key Operating Metrics (AUM/A Only) as of and for the Quarter Ended December 31, 2013:**

- Assets: \$177.9 billion, up 81% from December 31, 2012
- Accounts: 735,845, up 64% from December 31, 2012
- Advisors: 22,838, up 42% from December 31, 2012
- Gross sales: \$20.4 billion, resulting in net flows of \$10.5 billion

The following table summarizes the changes in AUM and AUA for the quarter ended December 31, 2013:

| In Millions Except Account Data          | 9/30/13          | Gross Sales      | Redemptions       | Net Flows       | Market Impact   | 12/31/13          |
|--|------------------|------------------|-------------------|-----------------|-----------------|-------------------|
| <b>Assets under Management (AUM)</b>     | \$ 41,932        | \$ 4,497         | \$ (2,651)        | \$ 1,846        | \$ 1,928        | \$ 45,706         |
| <b>Assets under Administration (AUA)</b> | 118,228          | 15,909           | (7,248)           | 8,661           | 5,326           | 132,215           |
| <b>Total AUM/A</b>                       | <b>\$160,160</b> | <b>\$ 20,406</b> | <b>\$ (9,899)</b> | <b>\$10,507</b> | <b>\$ 7,254</b> | <b>\$ 177,921</b> |
| <i>Fee-Based Accounts</i>                | <i>657,109</i>   | <i>109,371</i>   | <i>(30,635)</i>   | <i>78,736</i>   |                 | <i>735,845</i>    |

During the fourth quarter, the Company added \$6.4 billion of conversions included in the above AUM/A gross sales figures, and an additional \$12.2 billion of conversions in Licensing.

#### **Review of Fourth Quarter 2013 Financial Results**

Adjusted revenues increased 67% to \$74.4 million for the fourth quarter of 2013 from \$44.6 million for the fourth quarter of 2012. The increase was primarily due to an 83% increase in revenues from AUM or AUA to \$63.4 million from \$34.7 million in the prior year period. Revenue from Prudential’s Wealth Management Solutions (“WMS”) business, acquired by the Company in July 2013, is included for the entire fourth quarter of 2013.

Total operating expenses in the fourth quarter of 2013 increased 72% to \$73.0 million from \$42.4 million in the prior year period. Cost of revenues increased 103% to \$32.4 million in the fourth quarter of 2013 from \$16.0 million in the fourth quarter of 2012 due to the increase in revenue from AUM or AUA and additional cost from WMS, the revenues of which have a higher cost profile than the Company's existing business. Compensation and benefits increased 47% to \$22.0 million in the fourth quarter of 2013 from \$14.9 million in the prior year period due to higher personnel cost from WMS, as well as higher non-cash compensation expense. General and administration expenses increased 73% to \$14.0 million in the fourth quarter of 2013 from \$8.1 million in the prior year period primarily due to WMS.

Income from operations was \$1.4 million for the fourth quarter of 2013 compared to \$2.0 million for the fourth quarter of 2012. Net income was \$0.7 million, or \$0.02 per diluted share, for the fourth quarter of 2013 compared to a net loss of (\$0.2) million, or (\$0.00) per diluted share, for the fourth quarter of 2012. Adjusted EBITDA<sup>(1)</sup> in the fourth quarter of 2013 was \$11.0 million, compared to \$7.2 million in the prior year period. Adjusted Net Income<sup>(1)</sup> was \$5.4 million, compared to \$3.3 million in the fourth quarter of 2012. Adjusted Net Income Per Share<sup>(1)</sup> was \$0.15, compared to \$0.10 in the fourth quarter of 2012.

At December 31, 2013, the Company had \$49.9 million in cash and cash equivalents with no debt.

## **Conference Call**

The Company will host a conference call to discuss fourth quarter and full year 2013 financial results today at 5:00 p.m. ET. The live webcast can be accessed from the Company's investor relations website at <http://ir.envestnet.com/>. The conference call can also be accessed live over the phone by dialing (877) 718-5101, or (719) 325-4784 for international callers. A replay will be available beginning one hour after the call and can be accessed from the Company's investor relations website, or by dialing (877) 870-5176 or (858) 384-5517 for international callers; the conference ID is 7712350. The dial-in replay will be available for one week and the webcast replay will be available for one month following the date of the conference call.

## **About Investnet**

Investnet, Inc. (NYSE:ENV) is a leading provider of unified wealth management technology and services to investment advisors. Its open-architecture platforms unify and fortify the wealth management process, delivering unparalleled flexibility, accuracy, performance and value. Investnet solutions enable the transformation of wealth management into a transparent, independent, objective and fully-aligned standard of care, and empower advisors to deliver better results.

Investnet's Advisor Suite® software empowers financial advisors to better manage client outcomes and strengthen their practice. Investnet provides institutional-quality research and advanced portfolio solutions through its Portfolio Management Consultants group, Investnet | PMC®. Investnet | Tamarac provides leading rebalancing, reporting and practice management software.

For more information on Investnet, please visit [www.investnet.com](http://www.investnet.com).

## **(1) Non-GAAP Financial Measures**

“Adjusted revenues” exclude the effect of purchase accounting on the fair value of acquired deferred revenue. Under GAAP, we record at fair value the acquired deferred revenue for contracts in effect at the time the entities were acquired. Consequently, revenue related to acquired entities for periods subsequent to the acquisition does not reflect the full amount of revenue that would have been recorded by these entities had they remained stand-alone entities.

“Adjusted EBITDA” represents net income before deferred revenue fair value adjustment, interest income, interest expense, income tax provision, depreciation and amortization, non-cash compensation expense, restructuring charges and transaction costs, re-audit related expenses, severance, imputed interest on contingent consideration liability, fair market value adjustment to contingent consideration and litigation related expense.

“Adjusted net income” represents net income before deferred revenue fair value adjustment, non-cash compensation expense, restructuring charges and transaction costs, re-audit related expenses, severance, amortization of acquired intangibles, imputed interest on contingent consideration liability, fair market value adjustment to contingent consideration, non-recurring tax items and litigation related expense. Reconciling items are tax effected using the income tax rates noted in the reconciliation table found on page 8 of this release.

“Adjusted net income per share” represents adjusted net income divided by the diluted number of weighted-average shares outstanding.

See reconciliation of Non-GAAP Financial Measures at the end of this press release. These measures should not be viewed as a substitute for revenues or net income determined in accordance with United States generally accepted accounting principles (GAAP).

## **Cautionary Statement Regarding Forward-Looking Statements**

The forward-looking statements made in this press release and its attachments concerning, among other things, Envestnet, Inc.’s (the “Company”) expected financial performance and outlook, its strategic operational plans and growth strategy are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties and the Company’s actual results could differ materially from the results expressed or implied by such forward-looking statements. Furthermore, reported results should not be considered as an indication of future performance. The potential risks, uncertainties and other factors that could cause actual results to differ from those expressed by the forward-looking statements in this press release include, but are not limited to, difficulty in sustaining rapid revenue growth, which may place significant demands on the Company’s administrative, operational and financial resources, fluctuations in the Company’s revenue, the concentration of nearly all of the Company’s revenues from the delivery of investment solutions and services to clients in the financial advisory industry, the Company’s reliance on a limited number of clients for a material portion of its revenue, the renegotiation of fee percentages or termination of the Company’s services by its clients, the Company’s ability to identify potential acquisition candidates, complete acquisitions and successfully integrate acquired companies, the impact of market and economic conditions on the Company’s revenues, compliance failures, regulatory actions against the Company, the failure to protect the Company’s intellectual property rights, the Company’s inability to

successfully execute the conversion of its clients' assets from their technology platform to the Company's technology platform in a timely and accurate manner, general economic conditions, changes to the Company's previously reported financial information as a result of audit, political and regulatory conditions, as well as management's response to these factors. More information regarding these and other risks, uncertainties and factors is contained in the Company's filings with the Securities and Exchange Commission ("SEC") which are available on the SEC's website at [www.sec.gov](http://www.sec.gov) or the Company's Investor Relations website at <http://ir.envestnet.com/>. You are cautioned not to unduly rely on these forward-looking statements, which speak only as of the date of this press release. All information in this press release and its attachments is as of February 20, 2014 and, unless required by law, the Company undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this press release or to report the occurrence of unanticipated events.

**Envestnet, Inc.**  
**Condensed Consolidated Balance Sheets**  
(In thousands)  
(Unaudited)

|   | December 31,<br>2013 | December 31,<br>2012 |
|---|----------------------|----------------------|
| <b>Assets</b>                               |                      |                      |
| Current assets:                             |                      |                      |
| Cash and cash equivalents                   | \$ 49,942            | \$ 29,983            |
| Fees receivable, net                        | 19,848               | 9,188                |
| Deferred tax assets, net                    | 2,462                | 2,089                |
| Prepaid expenses and other current assets   | 7,155                | 2,501                |
| Total current assets                        | <u>79,407</u>        | <u>43,761</u>        |
| Property and equipment, net                 | 12,766               | 11,791               |
| Internally developed software, net          | 5,740                | 4,324                |
| Intangible assets, net                      | 35,698               | 27,150               |
| Goodwill                                    | 74,335               | 65,644               |
| Deferred tax assets, net                    | 8,367                | 6,194                |
| Other non-current assets                    | 4,929                | 3,535                |
| Total assets                                | <u>\$ 221,242</u>    | <u>\$ 162,399</u>    |
| <b>Liabilities and Stockholders' Equity</b> |                      |                      |
| Current liabilities:                        |                      |                      |
| Accrued expenses                            | \$ 35,242            | \$ 20,594            |
| Accounts payable                            | 5,528                | 2,614                |
| Contingent consideration liability          | 6,008                | -                    |
| Deferred revenue                            | 7,393                | 5,768                |
| Total current liabilities                   | <u>54,171</u>        | <u>28,976</u>        |
| Contingent consideration liability          | 11,297               | -                    |
| Deferred rent liability                     | 2,051                | 2,195                |
| Lease incentive liability                   | 3,547                | 3,886                |
| Other non-current liabilities               | 2,404                | 1,346                |
| Total liabilities                           | <u>73,470</u>        | <u>36,403</u>        |
| Stockholders' equity                        | 147,772              | 125,996              |
| Total liabilities and stockholders' equity  | <u>\$ 221,242</u>    | <u>\$ 162,399</u>    |

**Envestnet, Inc.**  
**Condensed Consolidated Statements of Operations**  
(In thousands, except share and per share information)  
(Unaudited)

|   | <b>Three Months Ended<br/>December 31,</b> |                   | <b>Twelve Months Ended<br/>December 31,</b> |                   |
|---|--|-------------------|---|-------------------|
|   | <b>2013</b>                                | <b>2012</b>       | <b>2013</b>                                 | <b>2012</b>       |
| Revenues:                                   |  |                   |   |                   |
| Assets under management or administration   | \$ 63,418                                  | \$ 34,715         | \$ 200,568                                  | \$ 127,213        |
| Licensing and professional services         | 10,980                                     | 9,664             | 41,967                                      | 30,053            |
| Total revenues                              | <u>74,398</u>                              | <u>44,379</u>     | <u>242,535</u>                              | <u>157,266</u>    |
| Operating expenses:                         |  |                   |   |                   |
| Cost of revenues                            | 32,370                                     | 15,956            | 98,970                                      | 56,119            |
| Compensation and benefits                   | 21,967                                     | 14,942            | 77,442                                      | 54,973            |
| General and administration                  | 13,968                                     | 8,075             | 44,808                                      | 30,617            |
| Depreciation and amortization               | 4,663                                      | 3,384             | 15,329                                      | 12,400            |
| Restructuring charges                       | -  | -                 | 474   | 115               |
| Total operating expenses                    | <u>72,968</u>                              | <u>42,357</u>     | <u>237,023</u>                              | <u>154,224</u>    |
| Income from operations                      | 1,430                                      | 2,022             | 5,512                                       | 3,042             |
| Other income (expense):                     |  |                   |   |                   |
| Interest income                             | 5  | 3                 | 18  | 29                |
| Interest expense                            | -  | -                 | -   | (3)               |
| Other income                                | -  | -                 | 182   | -                 |
| Total other income                          | <u>5</u>                                   | <u>3</u>          | <u>200</u>                                  | <u>26</u>         |
| Income before income tax provision          | 1,435                                      | 2,025             | 5,712                                       | 3,068             |
| Income tax provision                        | <u>740</u>                                 | <u>2,183</u>      | <u>2,052</u>                                | <u>2,603</u>      |
| Net income (loss)                           | <u>\$ 695</u>                              | <u>\$ (158)</u>   | <u>\$ 3,660</u>                             | <u>\$ 465</u>     |
| Net income (loss) per share:                |  |                   |   |                   |
| Basic                                       | <u>\$ 0.02</u>                             | <u>\$ (0.00)</u>  | <u>\$ 0.11</u>                              | <u>\$ 0.01</u>    |
| Diluted                                     | <u>\$ 0.02</u>                             | <u>\$ (0.00)</u>  | <u>\$ 0.10</u>                              | <u>\$ 0.01</u>    |
| Weighted average common shares outstanding: |  |                   |   |                   |
| Basic                                       | <u>34,001,055</u>                          | <u>32,338,488</u> | <u>33,191,088</u>                           | <u>32,162,672</u> |
| Diluted                                     | <u>36,339,851</u>                          | <u>32,338,488</u> | <u>35,666,575</u>                           | <u>33,341,615</u> |

**Envestnet, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(In thousands)  
(Unaudited)

|   | <b>Twelve Months Ended</b> |                  |
|---|----------------------------|------------------|
|   | <b>December 31,</b>        |                  |
|   | <b>2013</b>                | <b>2012</b>      |
| <b>OPERATING ACTIVITIES:</b>  |                            |                  |
| Net income  | \$ 3,660                   | \$ 465           |
| Adjustments to reconcile net income to net cash provided by operating activities: |                            |                  |
| Depreciation and amortization   | 15,329                     | 12,400           |
| Deferred rent and lease incentive   | (483)                      | 1,389            |
| Provision for doubtful accounts   | 203                        | -                |
| Impairment of long-lived assets   | 330                        | -                |
| Deferred income taxes   | (2,546)                    | 83               |
| Stock-based compensation  | 8,738                      | 4,342            |
| Excess tax benefits from stock-based compensation                                 | (3,579)                    | (1,549)          |
| Imputed interest expense  | 787                        | 3                |
| Fair market value adjustment on contingent consideration                          | 501                        | -                |
| Changes in operating assets and liabilities, net of acquisitions:                 |                            |                  |
| Fees receivable   | (9,566)                    | 1,017            |
| Prepaid expenses and other current assets   | (1,075)                    | 4,645            |
| Other non-current assets  | (1,444)                    | (181)            |
| Accrued expenses  | 12,389                     | 3,100            |
| Accounts payable  | 2,914                      | 640              |
| Deferred revenue  | 1,625                      | 1,028            |
| Other non-current liabilities   | 1,074                      | 1,166            |
| Net cash provided by operating activities   | <u>28,857</u>              | <u>28,548</u>    |
| <b>INVESTING ACTIVITIES:</b>  |                            |                  |
| Purchases of property and equipment   | (6,125)                    | (4,838)          |
| Capitalization of internally developed software                                   | (3,143)                    | (2,350)          |
| Repayment of notes payable assumed in acquisition                                 | -                          | (174)            |
| Acquisition of businesses, net of cash acquired                                   | (8,992)                    | (62,352)         |
| Net cash used in investing activities   | <u>(18,260)</u>            | <u>(69,714)</u>  |
| <b>FINANCING ACTIVITIES:</b>  |                            |                  |
| Proceeds from exercise of warrants  | 4                          | -                |
| Proceeds from exercise of stock options   | 6,400                      | 2,069            |
| Issuance of restricted stock  | 1                          | 2,759            |
| Excess tax benefits from stock-based compensation                                 | 3,579                      | 1,549            |
| Purchase of treasury stock  | (622)                      | (137)            |
| Net cash provided by financing activities   | <u>9,362</u>               | <u>6,240</u>     |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                           | <u>19,959</u>              | <u>(34,926)</u>  |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>                             | 29,983                     | 64,909           |
| <b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>                                   | <u>\$ 49,942</u>           | <u>\$ 29,983</u> |

**Envestnet, Inc.**  
**Reconciliation of Non-GAAP Financial Measures**  
(in thousands, except share and per share information)  
(Unaudited)

|  | Three Months Ended<br>December 31, |                   | Twelve Months Ended<br>December 31, |                   |
|--|------------------------------------|-------------------|-------------------------------------|-------------------|
|  | 2013                               | 2012              | 2013                                | 2012              |
| Revenues   | \$ 74,398                          | \$ 44,379         | \$ 242,535                          | \$ 157,266        |
| Deferred revenue fair value adjustment                   | -                                  | 230               | 160                                 | 1,248             |
| Adjusted revenues  | <u>\$ 74,398</u>                   | <u>\$ 44,609</u>  | <u>\$ 242,695</u>                   | <u>\$ 158,514</u> |
| Net income (loss)  | \$ 695                             | \$ (158)          | \$ 3,660                            | \$ 465            |
| Add (deduct):  |                                    |                   |                                     |                   |
| Deferred revenue fair value adjustment                   | -                                  | 230               | 160                                 | 1,248             |
| Interest income  | (5)                                | (3)               | (18)                                | (29)              |
| Interest expense   | -                                  | -                 | -                                   | 3                 |
| Income tax provision                                     | 740                                | 2,183             | 2,052                               | 2,603             |
| Depreciation and amortization                            | 4,663                              | 3,384             | 15,329                              | 12,400            |
| Non-cash compensation expense                            | 2,457                              | 912               | 8,919                               | 4,037             |
| Restructuring charges and transaction costs              | 1,124                              | 506               | 3,297                               | 2,718             |
| Re-audit related expenses                                | 105                                | -                 | 3,110                               | -                 |
| Severance  | 365                                | 49                | 790                                 | 278               |
| Imputed interest expense on contingent consideration     | 395                                | -                 | 787                                 | -                 |
| Fair market value adjustment to contingent consideration | 501                                | -                 | 501                                 | -                 |
| Litigation related expense                               | -                                  | 115               | 7                                   | 265               |
| Adjusted EBITDA  | <u>\$ 11,040</u>                   | <u>\$ 7,218</u>   | <u>\$ 38,594</u>                    | <u>\$ 23,988</u>  |
| Net income (loss)  | \$ 695                             | \$ (158)          | \$ 3,660                            | \$ 465            |
| Add:   |                                    |                   |                                     |                   |
| Deferred revenue fair value adjustment                   | -                                  | 137               | 93                                  | 746               |
| Non-cash compensation expense                            | 1,425                              | 546               | 5,173                               | 2,414             |
| Restructuring charges and transaction costs              | 991                                | 488               | 2,252                               | 1,810             |
| Re-audit related expenses                                | 62                                 | -                 | 1,804                               | -                 |
| Severance  | 211                                | 29                | 458                                 | 166               |
| Amortization of acquired intangibles                     | 1,537                              | 1,054             | 4,903                               | 3,687             |
| Imputed interest expense on contingent consideration     | 229                                | -                 | 456                                 | -                 |
| Fair market value adjustment to contingent consideration | 291                                | -                 | 291                                 | -                 |
| Non-recurring tax items                                  | -                                  | 1,124             | -                                   | 1,124             |
| Litigation related expense                               | -                                  | 68                | 4                                   | 158               |
| Adjusted net income                                      | <u>\$ 5,441</u>                    | <u>\$ 3,288</u>   | <u>\$ 19,094</u>                    | <u>\$ 10,570</u>  |
| Diluted number of weighted-average shares outstanding    | <u>36,339,851</u>                  | <u>33,802,845</u> | <u>35,666,575</u>                   | <u>33,341,615</u> |
| Adjusted net income per share - diluted                  | <u>\$ 0.15</u>                     | <u>\$ 0.10</u>    | <u>\$ 0.54</u>                      | <u>\$ 0.32</u>    |

Note:

Adjustments, excluding non-deductible transaction costs, are tax effected using an income tax rate of 42.0% and 40.2% for 2013 and 2012, respectively.



**Envestnet, Inc.**  
**Historical Assets, Accounts and Advisors**  
(in millions, except account and advisor data)  
(Unaudited)

|                                   | As of                |                   |                   |                    |                   |
|-----------------------------------|----------------------|-------------------|-------------------|--------------------|-------------------|
|                                   | December 31,<br>2012 | March 31,<br>2013 | June 30, 2013     | September 30, 2013 | December 31, 2013 |
| <b>Platform Assets</b>            |                      |                   |                   |                    |                   |
| Assets Under Management (AUM) \$  | 30,970               | \$ 34,870         | \$ 38,705         | \$ 41,932          | \$ 45,706         |
| Assets Under Administration (AUA) | 67,368               | 74,839            | 85,601            | 118,228            | 132,215           |
| Subtotal AUM/A                    | 98,338               | 109,709           | 124,306           | 160,160            | 177,921           |
| Licensing                         | 269,729              | 295,330           | 302,604           | 326,567            | 358,919           |
| <b>Total Platform Assets</b>      | <b>\$ 368,067</b>    | <b>\$ 405,039</b> | <b>\$ 426,910</b> | <b>\$ 486,727</b>  | <b>\$ 536,840</b> |
| <b>Platform Accounts</b>          |                      |                   |                   |                    |                   |
| AUM                               | 156,327              | 167,167           | 190,883           | 200,648            | 211,039           |
| AUA                               | 293,151              | 311,884           | 357,283           | 456,461            | 524,806           |
| Subtotal AUM/A                    | 449,478              | 479,051           | 548,166           | 657,109            | 735,845           |
| Licensing                         | 1,228,016            | 1,289,491         | 1,365,773         | 1,425,102          | 1,508,254         |
| <b>Total Platform Accounts</b>    | <b>1,677,494</b>     | <b>1,768,542</b>  | <b>1,913,939</b>  | <b>2,082,211</b>   | <b>2,244,099</b>  |
| <b>Advisors</b>                   |                      |                   |                   |                    |                   |
| AUM/A                             | 16,085               | 16,419            | 18,154            | 21,759             | 22,838            |
| Licensing                         | 6,941                | 6,970             | 7,261             | 7,511              | 7,794             |
| <b>Total Advisors</b>             | <b>23,026</b>        | <b>23,389</b>     | <b>25,415</b>     | <b>29,270</b>      | <b>30,632</b>     |

Note: AUM/A metrics include WMS, which added approximately \$25 billion in assets, 86,000 accounts and 3,100 advisors as of July 1, 2013.

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Source: Envestnet