

***The Future of Advice:  
How the 2008-2009 Financial Crisis &  
Related Financial Services Industry Stumbles  
Have Reshaped the Financial Services Industry***

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***Tiburon CEO Summit XIX  
Keynote Opening Presentation  
San Francisco, CA  
October 6, 2010***



## Outline

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- **The Back Drop: The 2008-2009 Financial Crisis & Related Financial Services Industry Stumbles**
- **The Industry Impacts: A Reshaped Industry?**
  - **Consumer Wealth & New Attitudes**
  - **Legislative & Regulatory Agenda**
  - **Markets & Distribution Channels**
  - **Products & Services**
  - **Financial Services Investment Opportunities**



# ***The 2008-2009 Financial Crisis & Related Financial Services Industry Stumbles (Page 1)***

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## **The 2008-2009 Financial Crisis & Related Financial Services Industry Stumbles**

### **Economy & Markets**

- ❑ **Unemployment remains high (9.5% or 14.6 million Americans) (16.5% when including discouraged workers)**
- ❑ **Three core stock market indices (DJIA, S&P 500, & NASDAQ) up 3%-4% in 2010**
  - ❖ **But... (for instance) S&P 500 down 23.4% for the decade**
- ❑ **Widely varying stock market projections (or not?) - the “new normal” versus the outlandish thought of 38,000 by 2025**
  - ❖ **Also widely varying views on future relative returns of stocks, bonds, hedge funds, & even gold (Yusko)**
- ❑ **Home prices at 2003 levels**
  - ❖ **Most expect slow recovery**



## **The 2008-2009 Financial Crisis & Related Financial Services Industry Stumbles (Page 2)**

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### **The 2008-2009 Financial Crisis & Related Financial Services Industry Stumbles**

#### **Financial Services Industry Impacts**

- ❑ 285 bank failures since 2008 (3% of all banks)**
- ❑ NYSE & FINRA registered brokerage firms revenue declines of 50% and 10% respectively**
- ❑ 325,000 financial services industry job losses (only 7,100 in mutual fund companies)**
- ❑ Investment manager margins declined**
- ❑ Financial institutions losses & write-offs exceeded \$1 trillion**



Source: Tiburon Research & Analysis

# ***The 2008-2009 Financial Crisis & Related Financial Services Industry Stumbles (Page 3)***

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## **The 2008-2009 Financial Crisis & Related Financial Services Industry Stumbles**

### **More Recession & Stumbles**

#### **☐ And it might still get worse...**

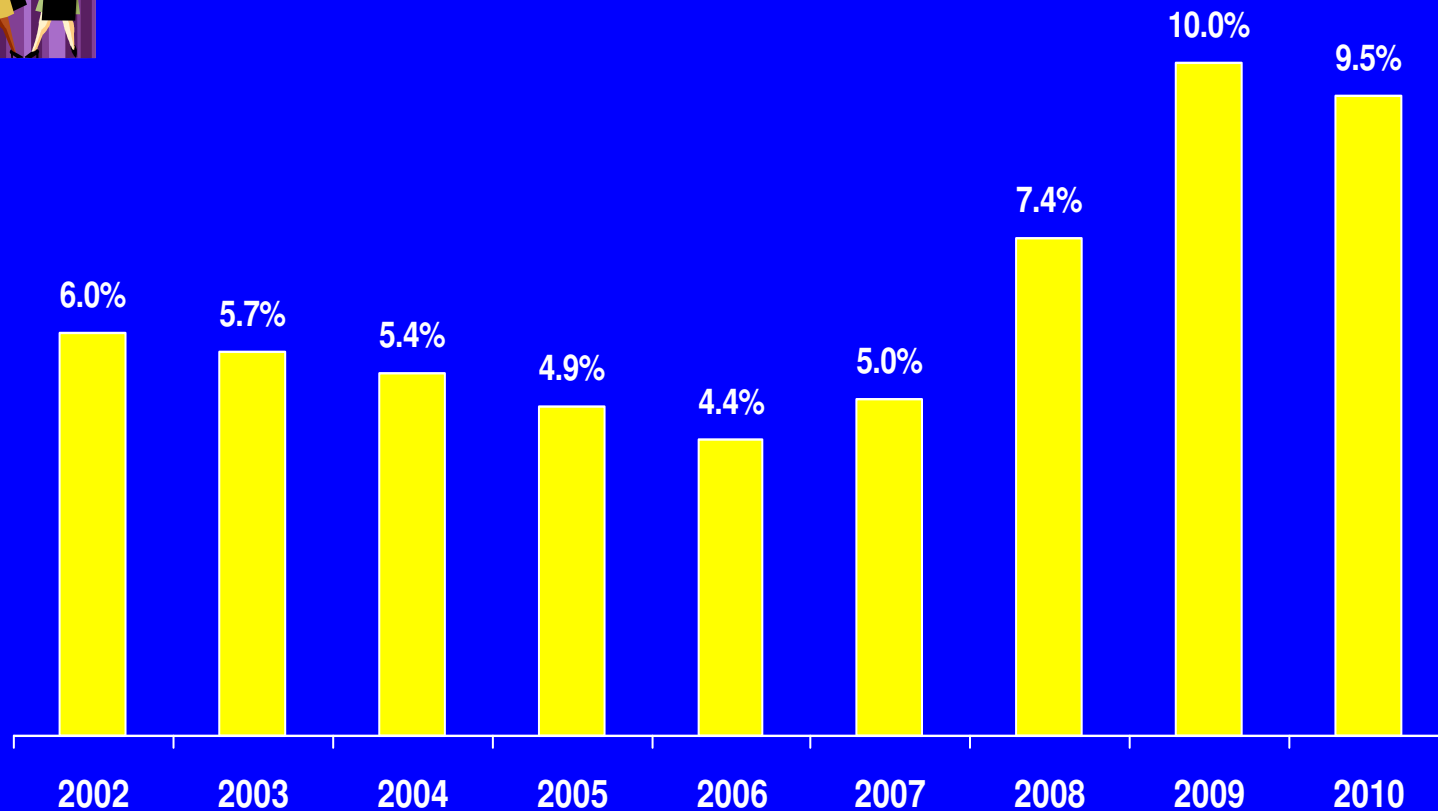
- ❖ Deleveraging continues**
- ❖ More baby boomers are reaching retirement age every day**
- ❖ Social Security & Medicare loom as serious issues**
- ❖ Home mortgage issues continue**
- ❖ Commercial real estate loan write-offs could still reach \$2 trillion**
- ❖ 600 banks still have \$65 billion of TARP funds outstanding**
- ❖ If marked to market, thousands of additional banks would already be insolvent**



# The Unemployment Rate Remains at an Inflated 9.5%...



## Unemployment Rate

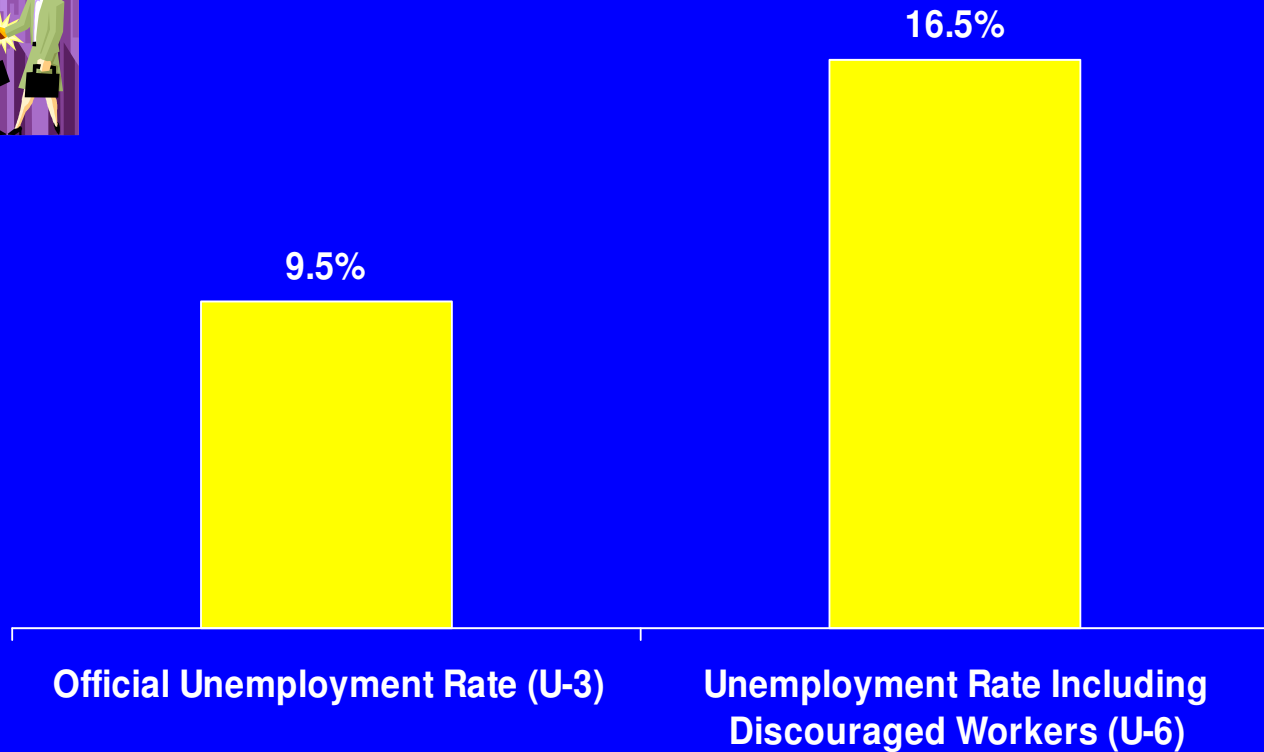


Source: 9/7/10 Bureau of Labor Statistics Web Site; 9/7/10 Carson Wealth Management Group Presentation (Carson) (Bureau of Labor Statistics); 6/10 Morgan Creek Capital Management Presentation (Yusko) (Shadow Stats); 10/4/08 New York Times (Bureau of Labor Statistics); Tiburon Research & Analysis

**... And if Discouraged Workers are Included, the Unemployment Rate is 16.5%**

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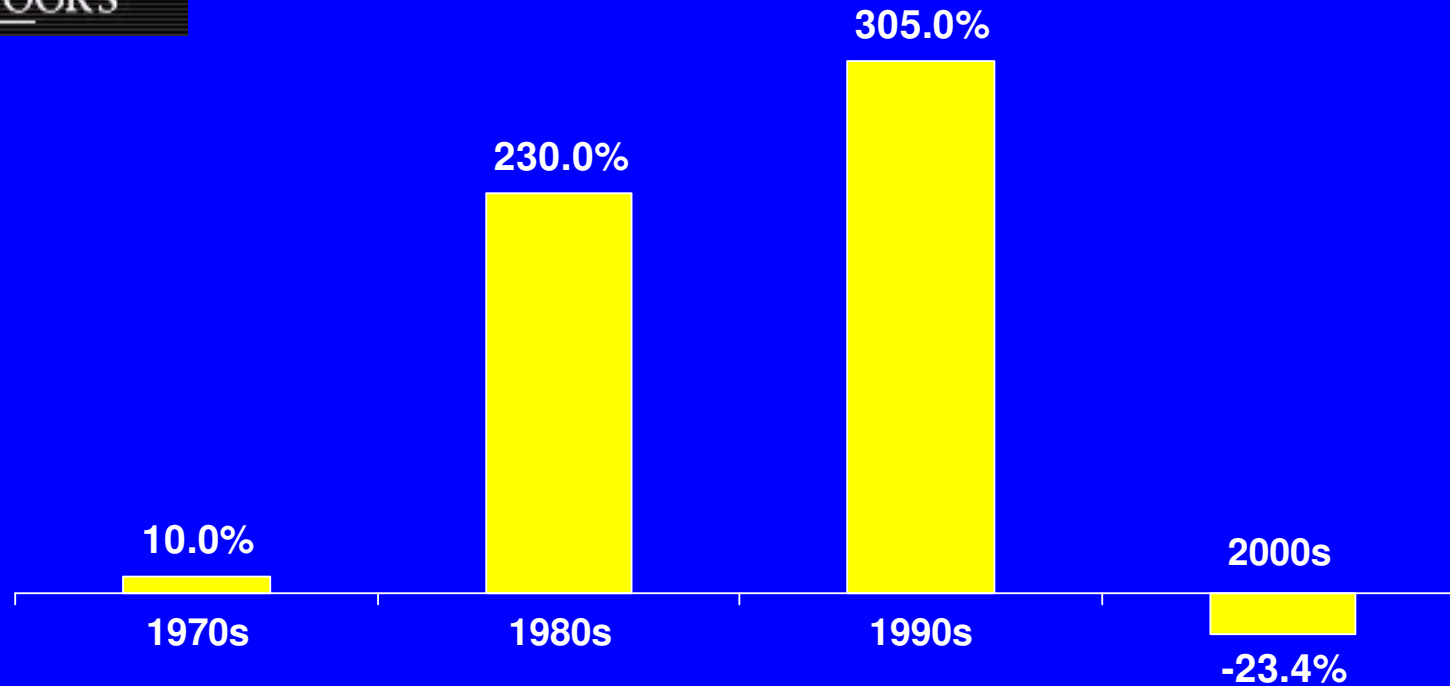
## Adjusted Unemployment Rate



Source: 9/7/10 Carson Wealth Management Group Presentation (Carson) (Bureau of Labor Statistics); Tiburon Research & Analysis

# The S&P 500 Has Lost 23.4% in the Decade

## Standard & Poor's 500 Returns by Decade

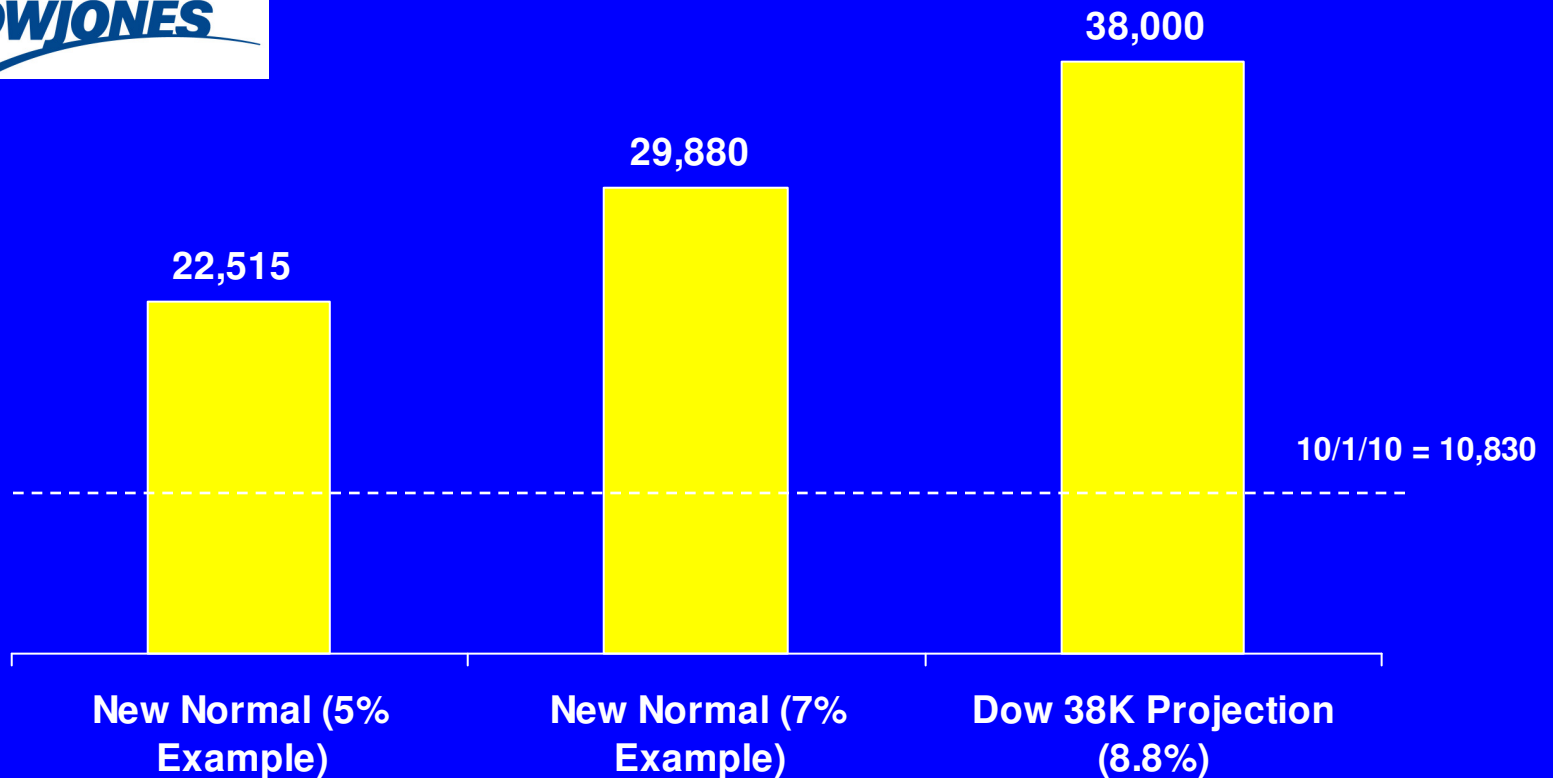


Source: 9/27/10 Forward Management Presentation (Schaeffer) (Standard & Poor's); 6/10 Morgan Creek Capital Management Presentation (Yusko); Tiburon Research & Analysis



# Widely Varying Predictions Exist for the Stock Market (Maybe)...

## Dow Jones Industrial Average 10/1/10 -> 2025

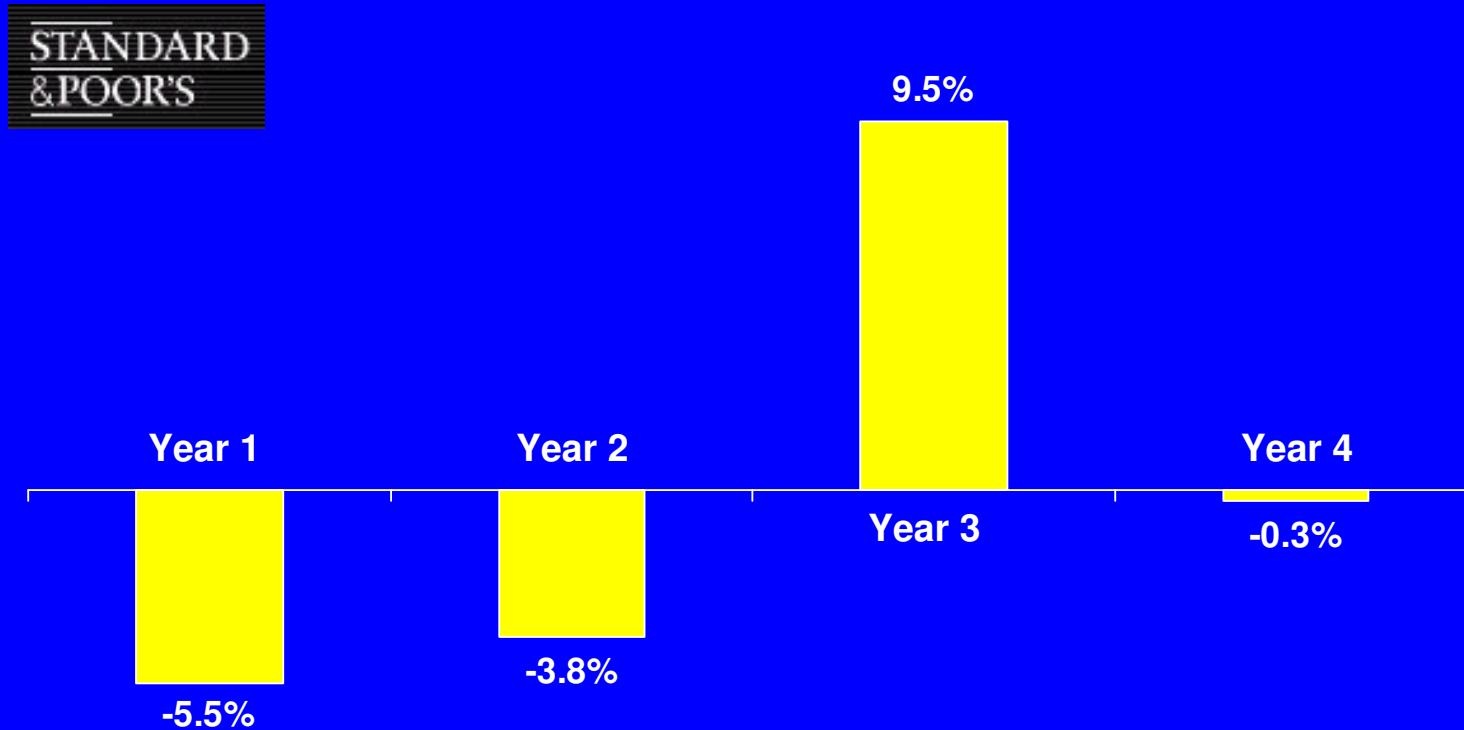


Source: 10/4/10 Business Week; Tiburon Research & Analysis

***If You are Seeking Some Hope... the S&P 500 Historically Performs Best in the Third Presidential Year***

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**Standard & Poor's 500  
Average Excess Real Returns  
By Presidential Cycle Year**



Source: 2/06 Morgan Creek Capital Management Presentation (Yusko) (EMO); Tiburon Research & Analysis

# ***The Financial Services Industry Has Added to its Own Problems with One Stumble After the Another...***

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## **Example Financial Services Industry Stumbles**

### **Related Financial Services Industry Stumbles**

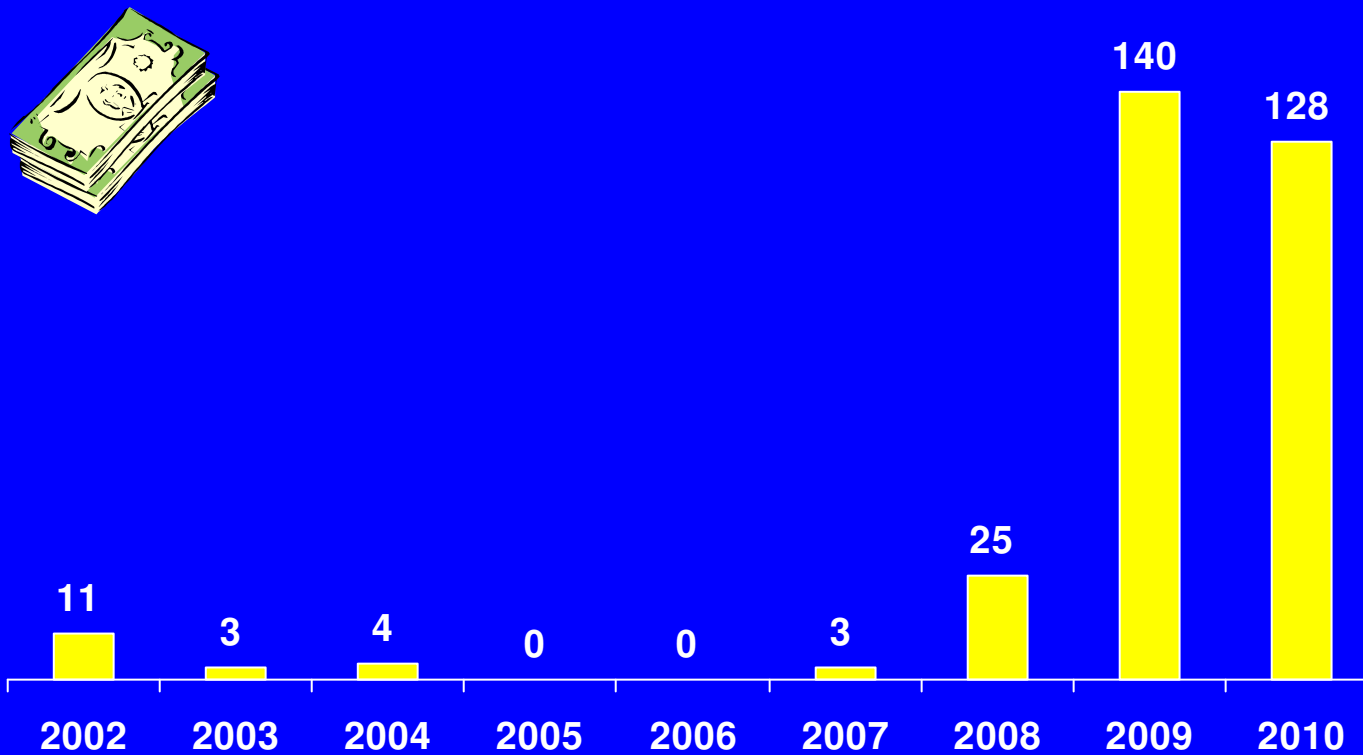
- ❑ Year of the Ponzi (150 cases totaling \$16 billion in 2010 plus Madoff's \$19 billion) (Brown)**
- ❑ Goldman Sachs Group bonuses hit record totals less than two years after taking \$20 billion TARP money**
  - ❖ The Fabulous Fab seeks dismissal**
- ❑ Lehman bankruptcy case estimates now exceed \$1 billion of direct costs (taxpayers paid?)**
- ❑ JP Morgan seeking \$6 billion in FDIC claims after paying less than \$2 billion for WaMu**



Source: Tiburon Research & Analysis

# 285 Banks Have Failed Since 2008, which Equates to 3% of All Banks

## Bank Failures

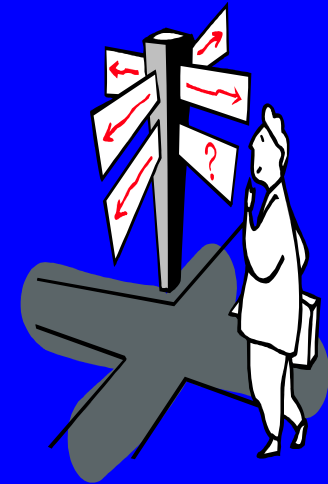


Source: 9/27/10 Forward Management Presentation (Schaeffer) (FDIC); 9/7/10 Carson Wealth Management Group Presentation (Carson) (Wall Street Journal); Tiburon Research & Analysis

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### Consumer Wealth & New Attitudes



#### Consumer Wealth

- ❑ **Lost \$12.8 trillion net worth in 2008 (~20% of net worth); regained just \$2.9 in the 1¾ years since**
  - ❖ **Largest loss of wealth since tracking started after World War II (for comparison → technology bubble burst led to ~3% decline in net worth)**
  - ❖ **Double whammy - stock market & home values hit consumer investable assets (inverse of 1990s wealth effect)**
  - ❖ **May take until ~2015 to regain losses in investable assets**
  - ❖ **Potential for triple whammy if interest rates rise and bond principal plummets now**
- ❑ **Fewer high net worth prospects**
  - ❖ **Previous recessions had not impacted ultra affluent but this one did**

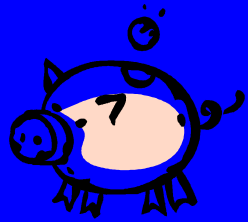
### Consumer Wealth & New Attitudes

#### Consumer Attitudes

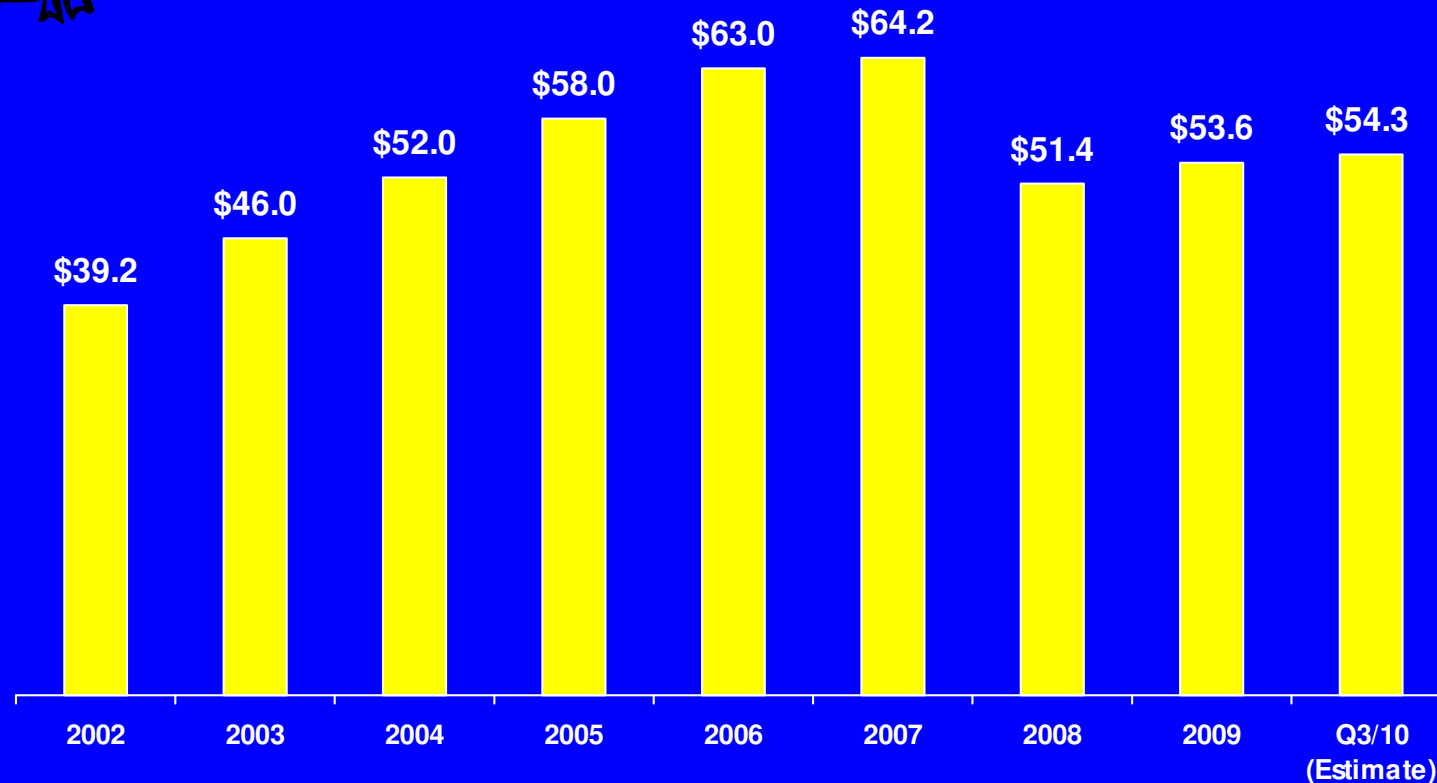
- ❑ **Some retirees forced back to work; some prospective retirees forced to extend their retirement dates**
  - ❖ **Potential for a lost generation of younger investors (or just an eschewing of financial advisors?)**
- ❑ **Liquidity at a premium**
  - ❖ **Deleveraging**
  - ❖ **Cash management & bonds both up (savings rate up to 6.0%)**
- ❑ **Trust lost in the financial services industry**
  - ❖ **Online tools & advice (Ever Bank Financial; Fidelity Investments; The Charles Schwab Corporation; TD Ameritrade)**
  - ❖ **Performance fees? (Dunham & Associates)**
- ❑ **More involvement expected**
  - ❖ **Service costs to increase for financial advisors**



# Consumer Household Net Worth Fell \$12.8 Trillion in 2008 to \$51.4 Trillion Before Starting a Very Slow Recovery



## Consumer Households Net Worth (\$ Trillions)



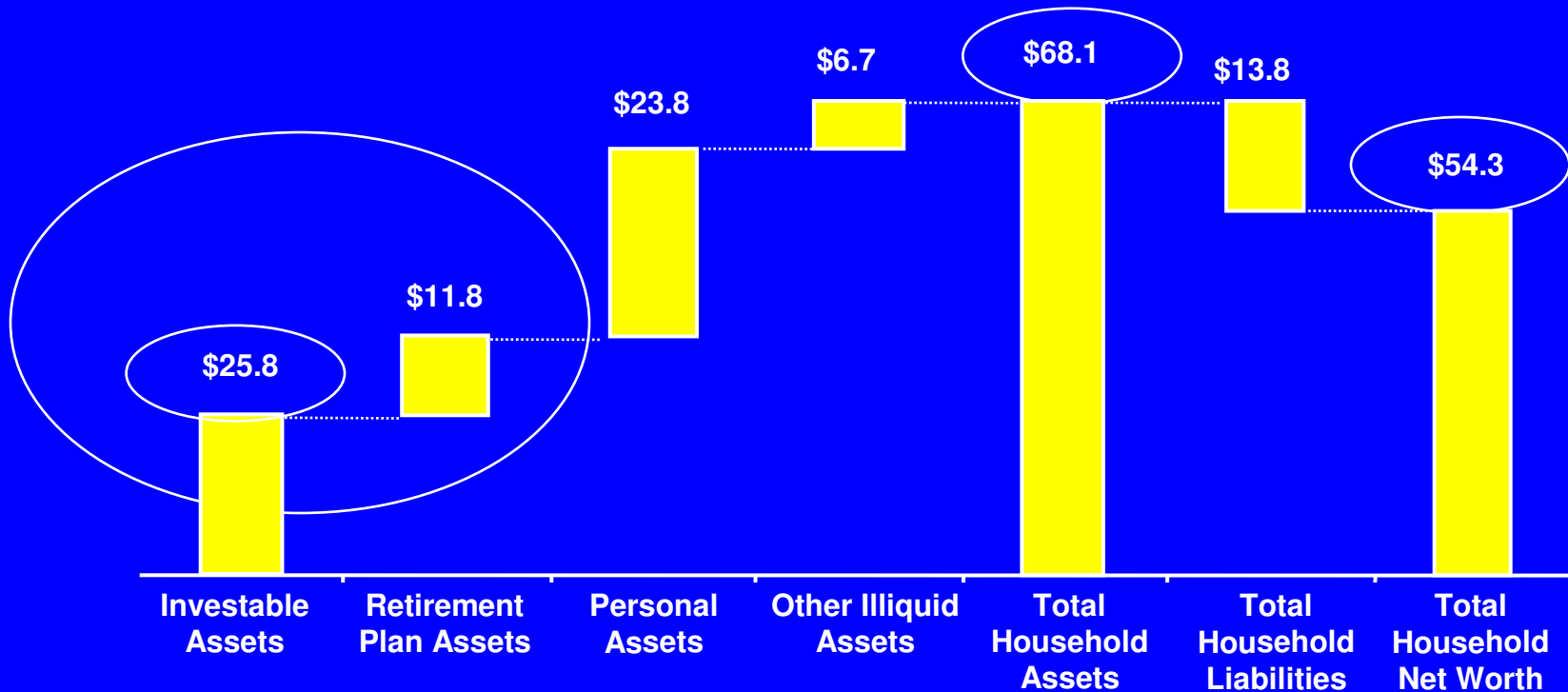
Source: 6/30/10 Federal Reserve Flow of Funds Report; Tiburon Research & Analysis



**Consumer Households Have \$25.8 Trillion of Investable Assets, \$37.6 Trillion of Financial Assets, \$68.1 Trillion of Total Assets, & \$54.3 Trillion of Net Worth**



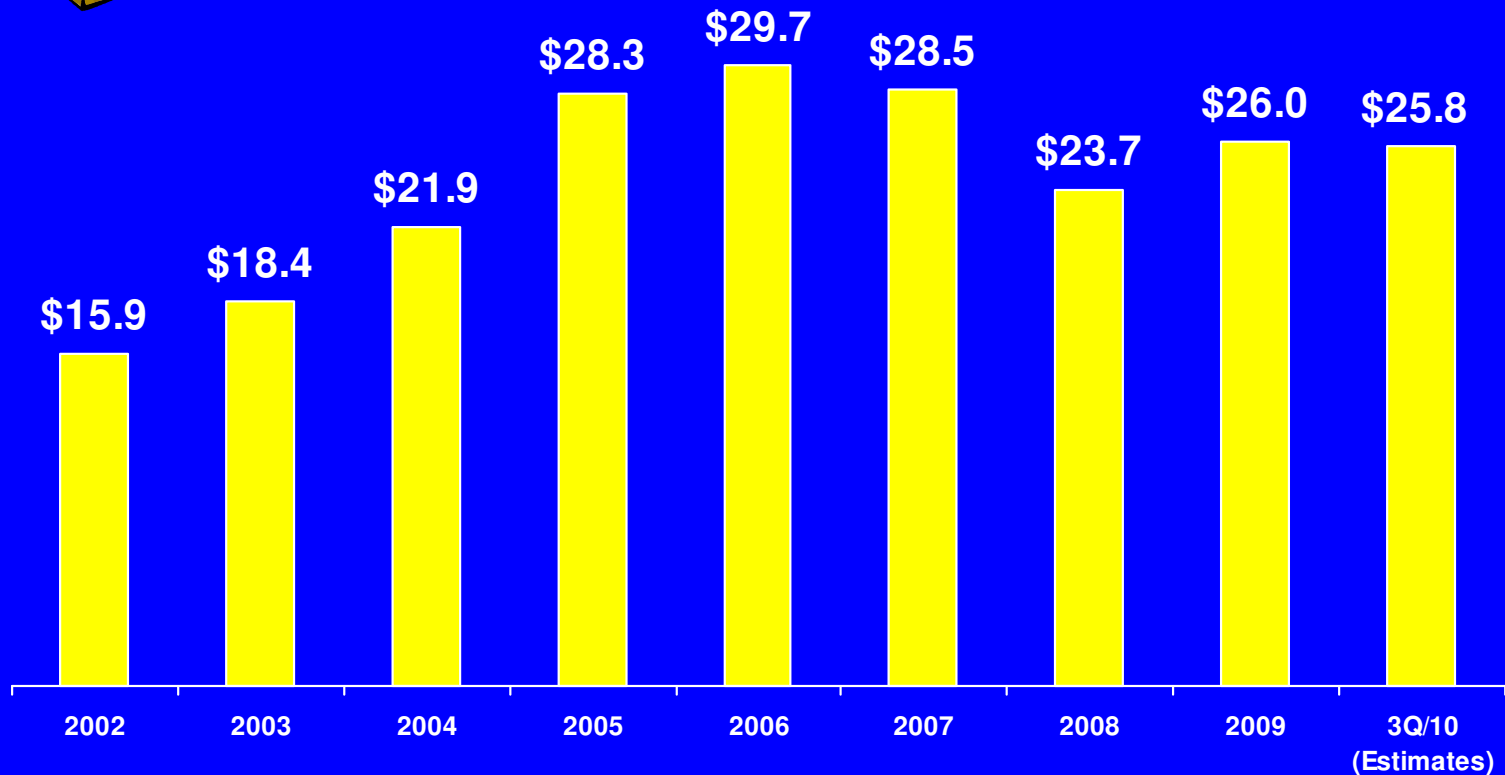
**Consumer Households Net Worth  
(\$ Trillions)**



Source: 6/30/10 Federal Reserve Flow of Funds Report; Tiburon Research & Analysis

# Consumers Households Have \$25.8 Trillion in Investable Assets, Up 60% Since 2002, But Still Below the 2005-2007 Peak

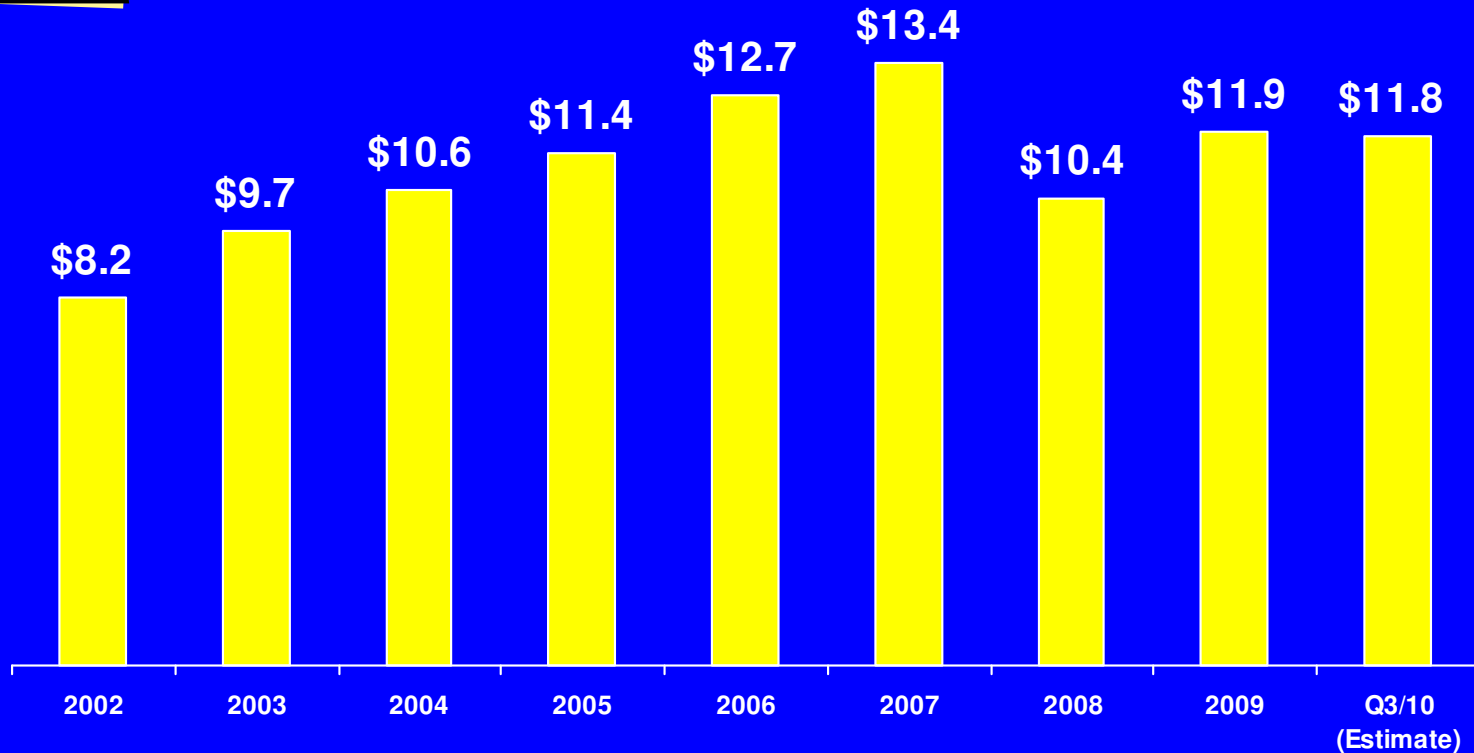
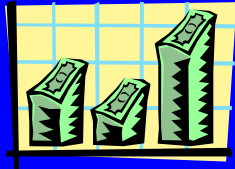
## Consumer Households Investable Assets (\$ Trillions)



Source: 6/30/10 Federal Reserve Flow of Funds Report; Tiburon Research & Analysis

# Consumers Have \$11.8 Trillion in Retirement Plan Assets, Up 40% Since 2002 But off its Peak of 2007

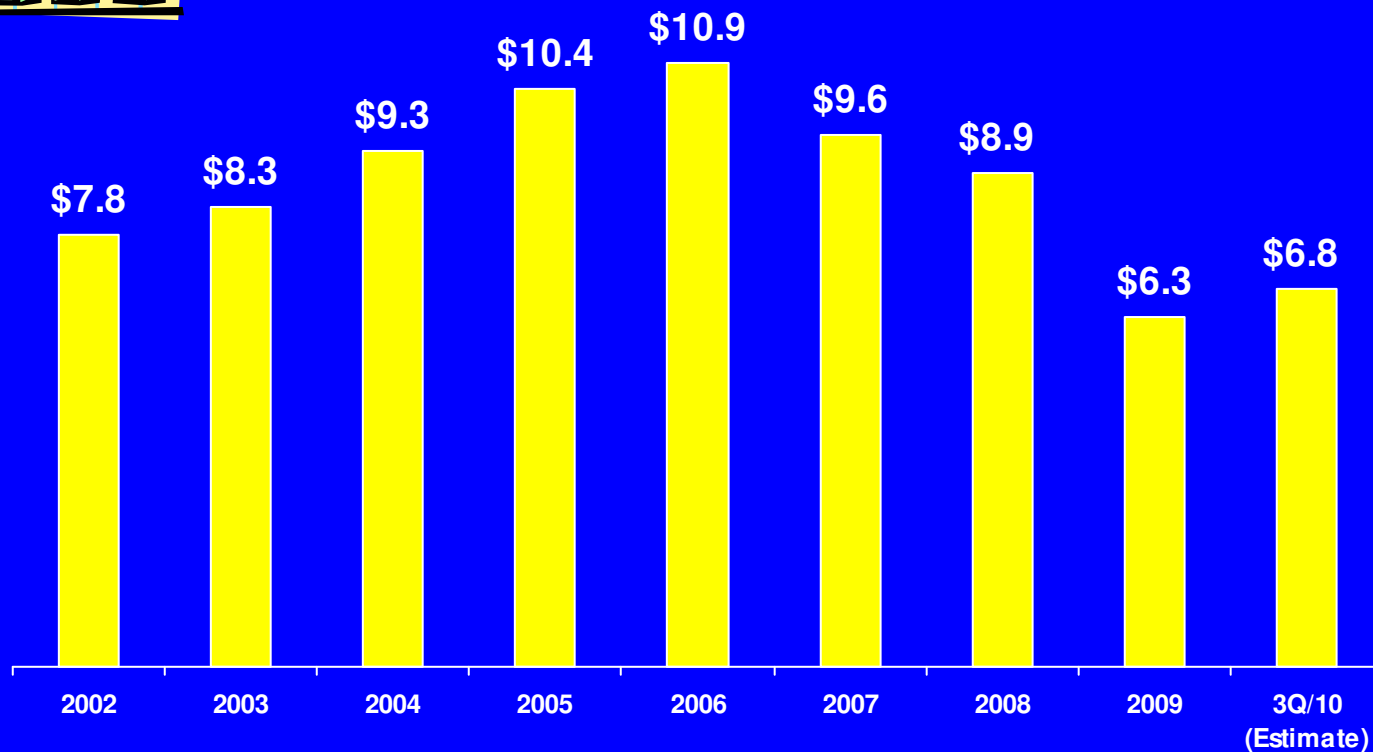
## Consumer Households Retirement Plan Assets (\$ Trillions)



Source: 6/30/10 Federal Reserve Flow of Funds Report; Tiburon Research & Analysis

# Consumer Households Lost \$4.6 Trillion in Real Estate Equity After the Peak in 2006 and Have Recovered Just a Bit in 2010

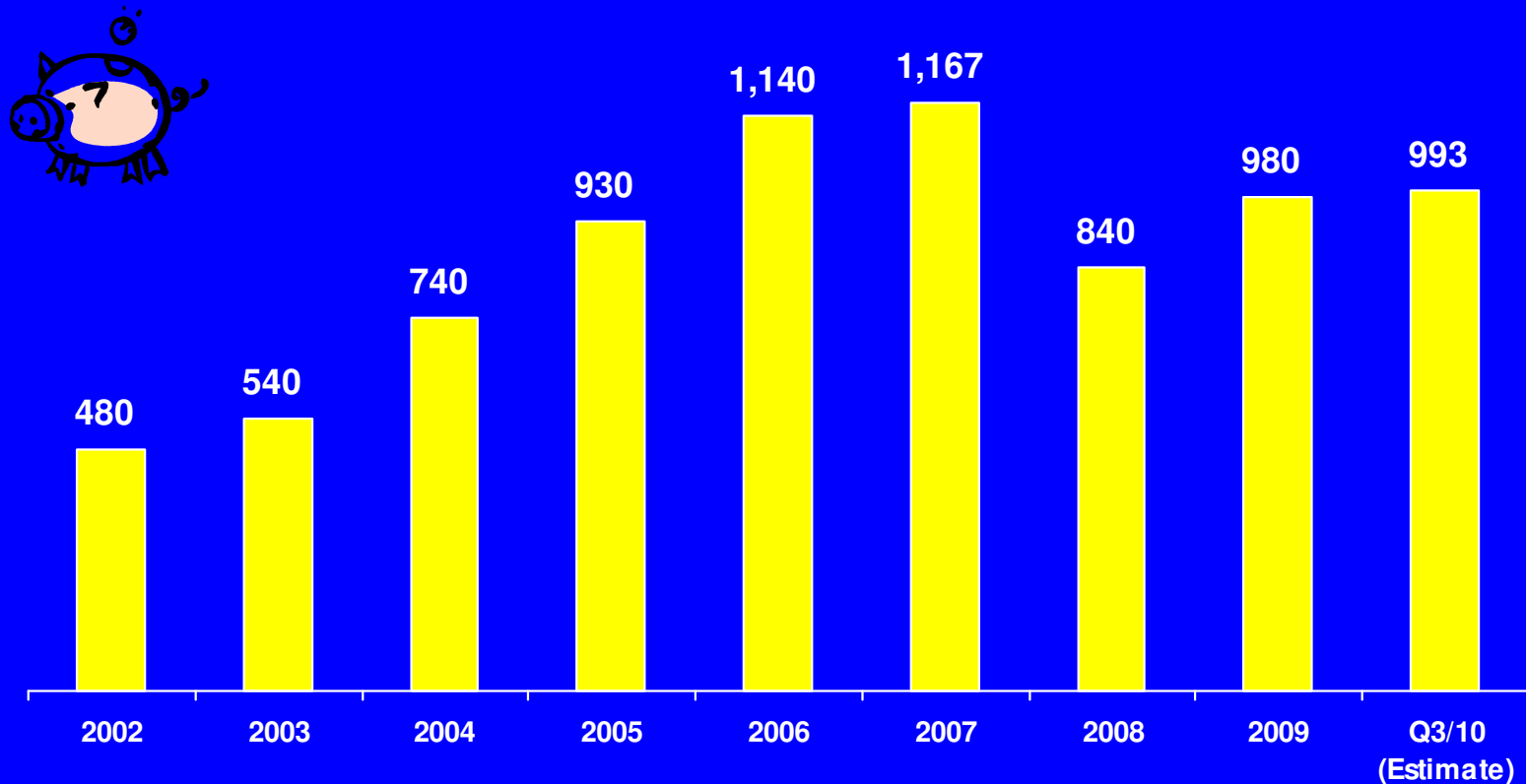
## Consumer Households Real Estate Equity (\$ Trillions)



Source: 6/30/10 Federal Reserve Flow of Funds Report; 3/11/10 Federal Reserve Flow of Funds Report; 4/09 Boomer Market Advisor (Center for Economic Research); 3/09 Journal of Financial Planning; 12/31/07 Federal Reserve Flow of Funds Report; 3/31/07 Federal Reserve Flow of Funds Report; 2/06 Morgan Creek Capital Management (Yusko); Tiburon Research & Analysis

**The Number of Consumer Households with Over \$5.0 Million in Financial Assets Dropped 30% in 2008 to 840,000 and Has Recovered Less than Half that Amount in 2009-2010**

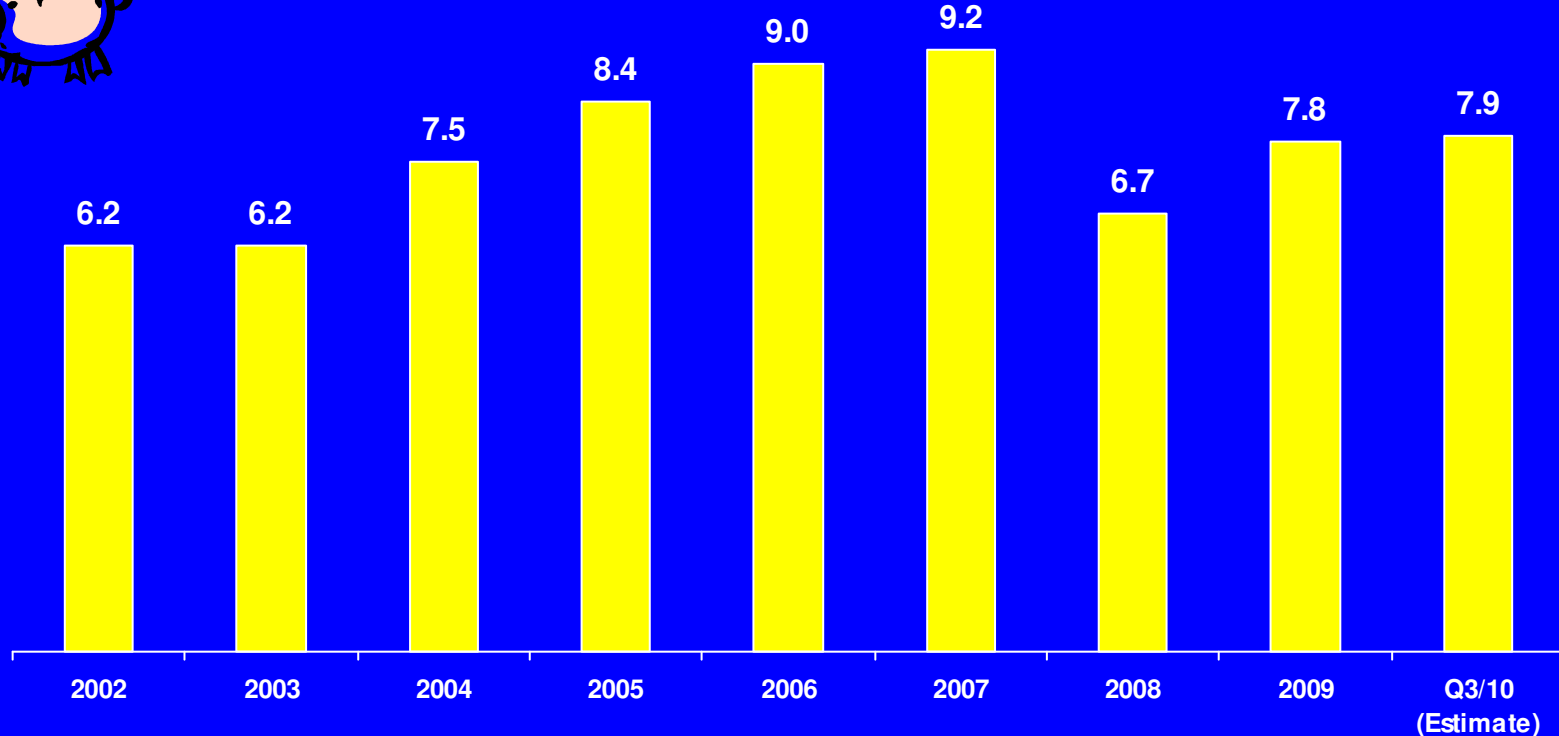
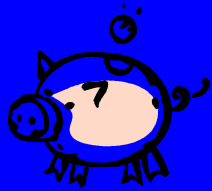
## Consumer Households With \$5.0+ Million Financial Assets (Thousands)



Source: 6/30/10 Federal Reserve Flow of Funds Report; 3/10/10 American Banker (Spectrem Group); 3/9/10 Insurance Newscast (Spectrem); 5/21/09 Wall Street Journal; 5/14/09 1st Global Presentation (Batman) (Spectrem); 3/16/09 Money Management Executive (Spectrem); 3/13/09 American Banker (Spectrem); 3/13/09 Financial Advisor (Spectrem); Tiburon Research & Analysis

**The Number of Consumer Households with Over \$1.0 Million in Financial Assets Dropped 27% in 2008 to 6.7 Million and Has Recovered Less than Half that Amount in 2009-2010**

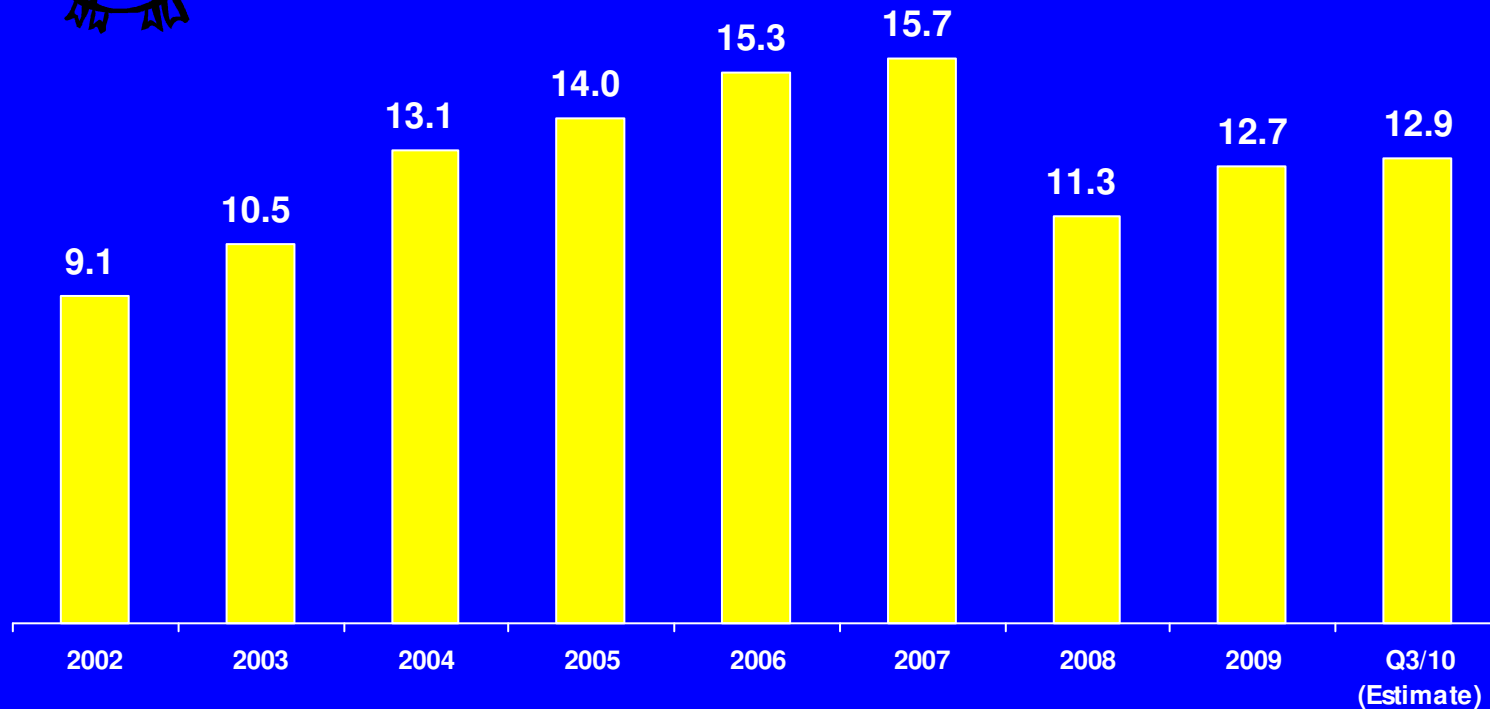
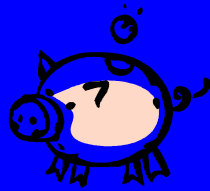
## Consumer Households With \$1.0+ Million Financial Assets (Millions)



Source: 6/30/10 Federal Reserve Flow of Funds Report; 3/10/10 American Banker (Spectrem Group); 3/9/10 Insurance Newscast (Spectrem); 5/21/09 Wall Street Journal; 5/14/09 1st Global Presentation (Batman) (Spectrem); 3/16/09 Money Management Executive (Spectrem); 3/13/09 American Banker (Spectrem); 3/13/09 Financial Advisor (Spectrem); 3/12/08 Investment News (Spectrem); 2/18/02 Investment News (Spectrem); Tiburon Research & Analysis

**The Number of Consumer Households with Over \$500,000 in Financial Assets Declined 28% in 2008 to 11.3 Million But Has Recovered Less than Half that Amount in 2009-2010**

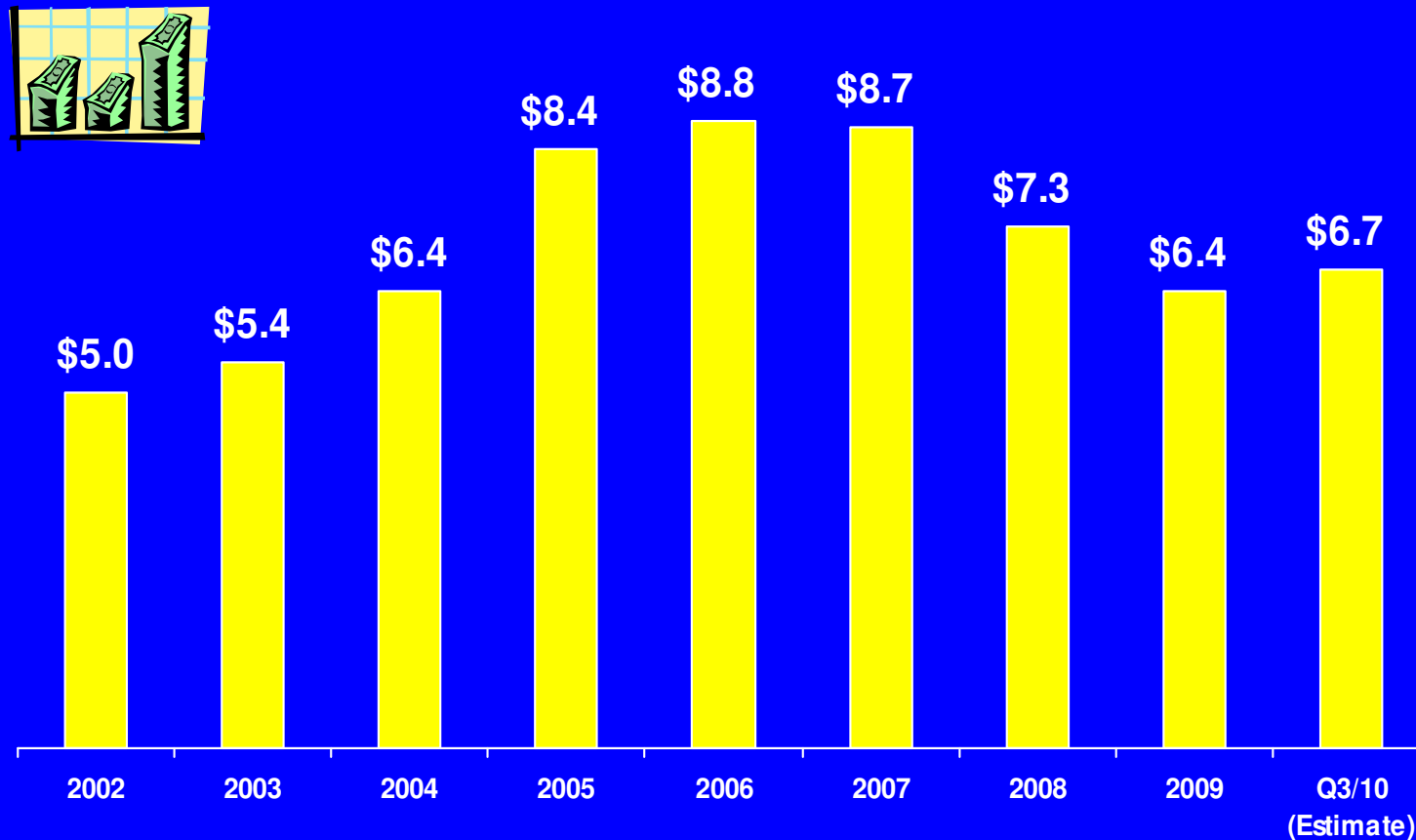
## Consumer Households With \$500,000+ Financial Assets (Millions)



Source: 6/30/10 Federal Reserve Flow of Funds Report; 5/21/09 Wall Street Journal; 5/14/09 1st Global Presentation (Batman) (Spectrem); 3/16/09 Money Management Executive (Spectrem); 3/13/09 American Banker (Spectrem); 3/13/09 Financial Advisor (Spectrem); Tiburon Research & Analysis

## Consumer Households Lost \$2.4 Trillion in Private Business Valuations After the Peak in 2006 and Have Recovered Just a Bit in 2010

### Consumer Investments in Privately Owned Businesses (\$ Trillions)



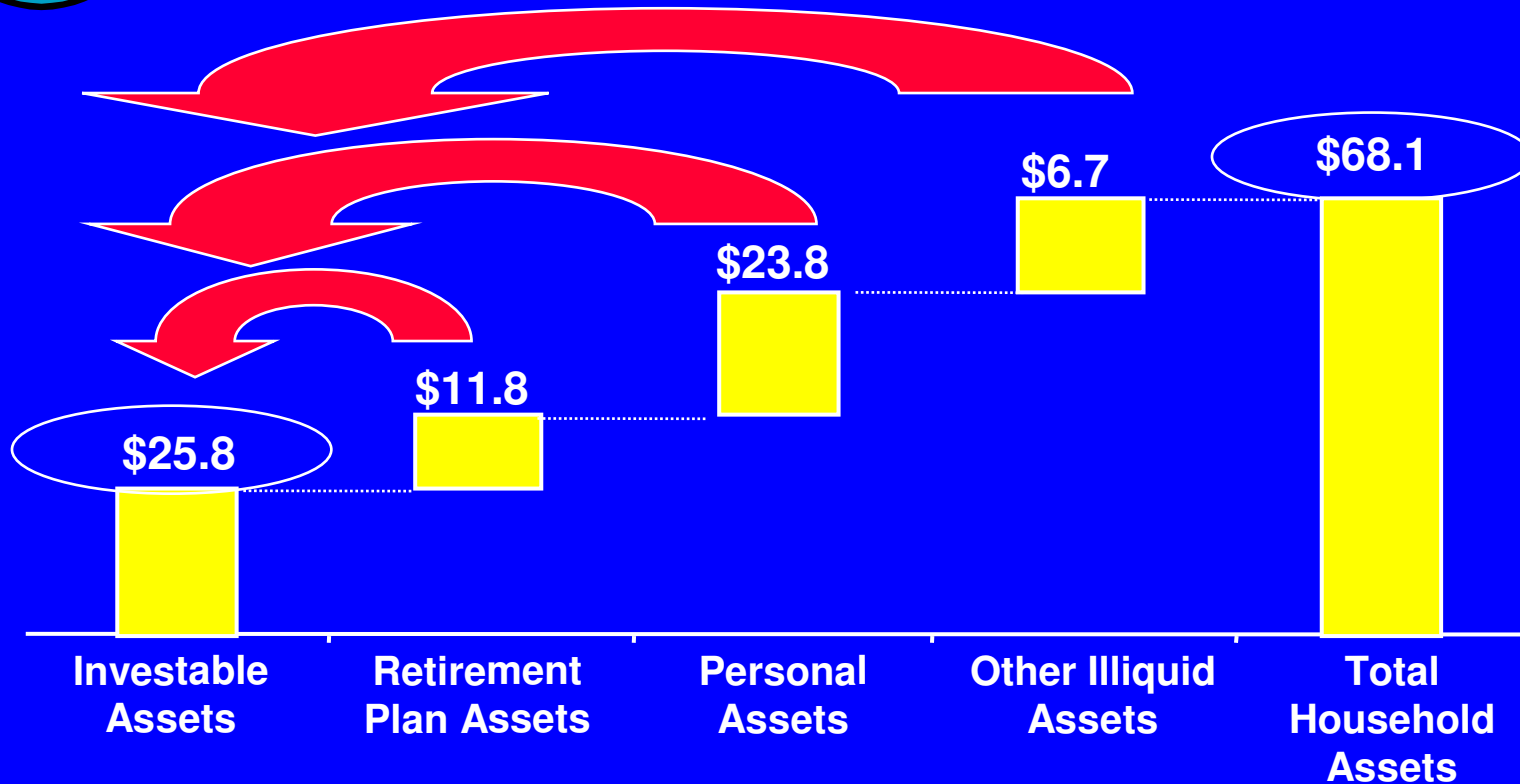
Source: 6/30/10 Federal Reserve Flow of Funds Report; Tiburon Research & Analysis



# Baby Boomers' Pending Retirement will Still Drive More Assets into the Investable Assets Market



## Consumer Households Net Worth (\$ Trillions)

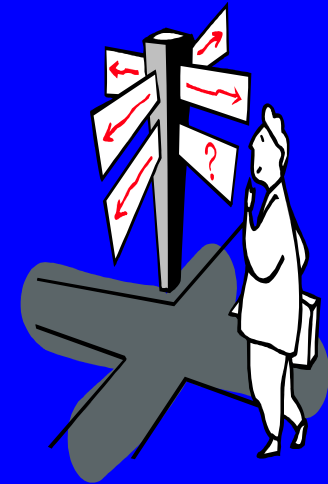


Source: 6/30/10 Federal Reserve Flow of Funds Report; Tiburon Research & Analysis

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## Legislative & Regulatory Agenda



### Dodd-Frank Wall Street Reform & Consumer Protection Act

- ❑ **Primarily focused on investment banks and retail banks**
  - ❖ **Big three issues - proprietary trading, derivatives, & Consumer Financial Protection Agency (hits hard the dual focus banks - e.g., JP Morgan Chase and Bank of America)**
  - ❖ **Forces exits from proprietary trading**
  - ❖ **Tightens margins on derivatives & consumer lending businesses (overdraft fees; debit interchange fees)**
  
- ❑ **Investment management was primarily a side note but a few keys...**
  - ❖ **Universe of required registrants changes, adding hedge funds & private equity funds**
  - ❖ **RIAs shift to states under \$100 million**
  - ❖ **Expect blanket fiduciary rule with FINRA as regulator (but not as SRO?) (Brown; Evensky; Envestnet)**

### **Legislative & Regulatory Agenda**

#### **Other industry issues**

- SEC -> 12b1s (July 2010 Proposal)**
  - ❖ **Eliminate service for small investors? (Brown)**
  - ❖ **Challenge mutual fund supermarket model?**
  - ❖ **Impact on small plan 401K market? (TD Ameritrade)**
  - ❖ **Open door for ETFs?**
- Department of Labor**
  - ❖ **Retirement plan advice**
  - ❖ **Target date mutual fund disclosure (Mansueto & Phillips; Foliofn)**
- Redefined accredited investor (dropping real estate)**
  - ❖ **Fewer qualify and hence creates demand for regulated alternatives (Yusko; Private Wealth Magazine)**



### **Legislative & Regulatory Agenda**

#### **Other Industry Issues (Continued)**

- Basel III**
  - ❖ **Bank capital rules (7% by 2019)**
- Cost basis reporting regulation (The Emergency Economic Stabilization Act) (Fidelity Investments; Fiserv)**
  - ❖ **Implementation begins in 2011**
- Summary prospectus (Brown)**
- ADV Part 2**
- Independent contractors (Brown)**



#### **Income Taxes Likely Headed Up (Eventually)**

- Tax deferral more important (Jefferson National)**
- Renewed interest in SMAs with active tax harvesting (Fiserv)**
- Estate tax -> Estate planning insurance**

# ***The Securities & Exchange Commission Seems Ready to Act on the Fiduciary Rule***

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## **Securities & Exchange Commission Chairwoman Mary Schapiro Comment**



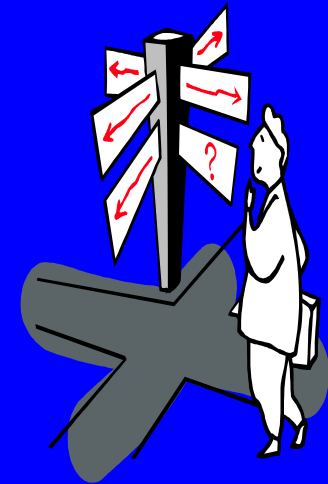
**“I also support the administration’s effort to apply a fiduciary standard of conduct....regardless of whether those professionals carry the label broker/dealer or investment advisor. Investors deserve the disinterested advice of fiduciaries who put investors interest before their own”**

**– Mary Schapiro  
Chairwoman, Securities  
& Exchange Commission  
September 24, 2009**

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## Markets & Distribution Channels



### Financial Advisor Channels

- ❑ **Wirehouses' brands tarnished and strategies seem stagnate**
  - ❖ **Later issue may actually be the more important issue as clients like their financial advisors**
  - ❖ **Wirehouse share of consumer investable assets declining (48% -> 41%)**
  - ❖ **Not a single wirehouse executive has receive a single vote for Tiburon's CEO Summit awards; why is that?**
  - ❖ **Former wirehouse CEOs backing independents (Evensky)**
- ❑ **Break-away brokers trend continues to be overstated but does continue (\$800 billion moved in 2009 with \$188 billion going independent) (Brown)**
  - ❖ **Unique hybrid models emerging accommodating both fees & commissions (convergence between IBDs & RIAs) (Fidelity Investments; LPL Financial; Envestnet)**
  - ❖ **Why are wirehouses not responding? (other than bigger bribes) Will one of the wirehouses buy an IBD in 2011?**



### **Markets & Distribution Channels**



#### **Financial Advisor Channels (Continued)**

- ❑ **Madoff & Stanford though caused pause - are all independents fly by nights?**
  - ❖ **Silly claim of reversal to wires (as silly as crazy break-away broker predictions)**
- ❑ **Intra-independent market movement**
  - ❖ **Some large FINRA reg reps moving to fee-only**
- ❑ **But be sure... The wirehouse model is not going away unless the firms chose to spin off their financial advisors (like life insurance agents in the 1980s)**

### **Markets & Distribution Channels**



- ❑ **Online tools & advice**
  - ❖ **Natural outgrowth of loss of confidence in financial advisors**
  - ❖ **Young wealthy to skip financial advisors? (Foliofn)**
  - ❖ **Mint.Com has 2.0 million users**
  - ❖ **Discount brokers add price competition at ~40bps**
- ❑ **Intersection of financial services, technology, & media companies (remember Pete Kight comments)**
- ❑ **Supply of Financial Advisors - Stagnate for a decade while more baby boomers need such (financial advisor base aging)**

### Markets & Distribution Channels

#### Institutional

- ❑ **Defined Contribution**
  - ❖ Crazy bad investing behaviors (Maggioncalda)
  - ❖ Department of Labor Advice rulings may challenge stranglehold by mutual fund companies & Insurance companies (Maggioncalda; TD Ameritrade)
  - ❖ Trends – target date mutual funds, stable value funds, CMTFs, ETFs, in plan guarantees, & (still) rollover capture
- ❑ **Defined Benefit**
  - ❖ Disruption - Lack of confidence in consultants, placement agents pay, public funds employee pay (e.g., CALPERS)
  - ❖ Ron Ryan's underfunded ratios comments
- ❑ **Endowments & Foundations**
  - ❖ Death of the endowment model or one year blip? Cash strapped universities (Yusko)



### **Markets & Distribution Channels**

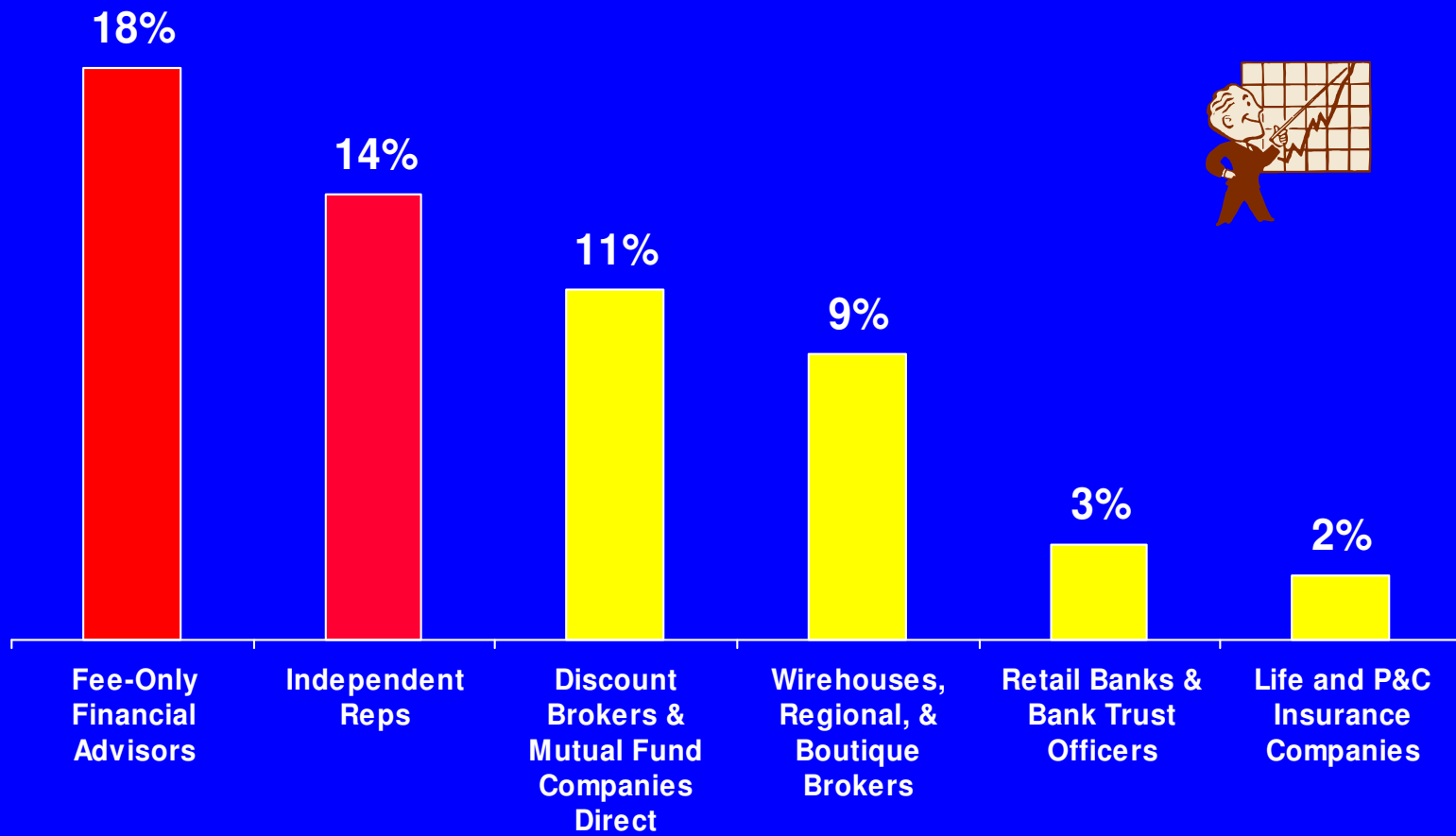
#### **International**

- ❑ Product & Service Companies**
  - ❖ Mutual Fund Market Opportunity (48% non US)**
  - ❖ ETFs circling the world**
  - ❖ UK – commission brokerage ceased & annuities by age 75**
  
- ❑ Markets & Distribution Companies**
  - ❖ Canada or Korea example (e.g., Wells Fargo Securities exits Canada)**
  - ❖ Singapore, the new Switzerland**
  - ❖ China!**



# Independent Advisors Collectively Continue to Outgrow the Competition...

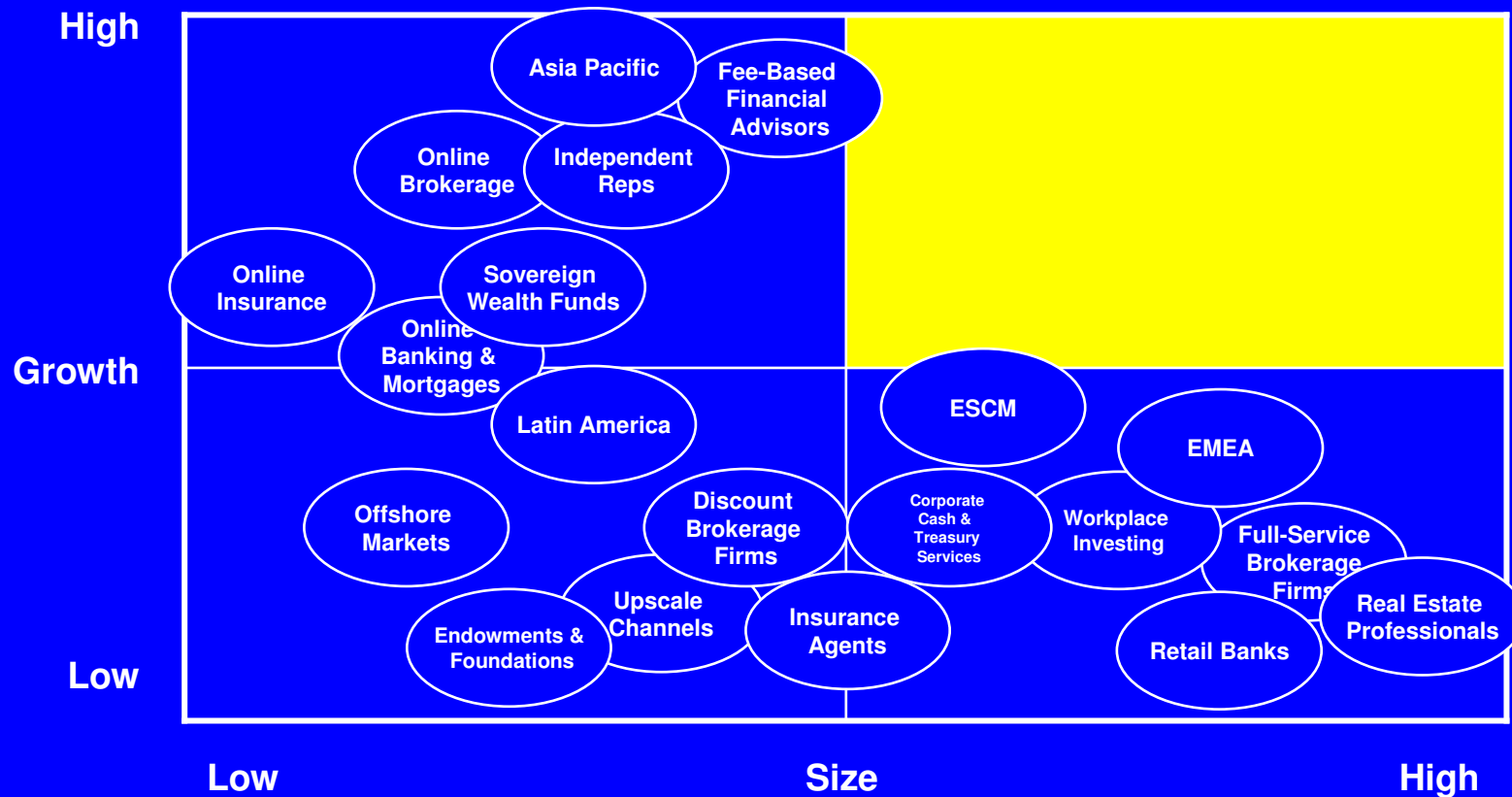
## Client Assets Annual Growth Rate By Markets & Distribution Channels (1995 - 2009)



Source: Tiburon Research & Analysis

# The Fee-Based Financial Advisors, Independent Reps, & Asia Pacific are the Three Fastest Growing Markets of Significant Size

## Markets & Distribution Channels Comparison

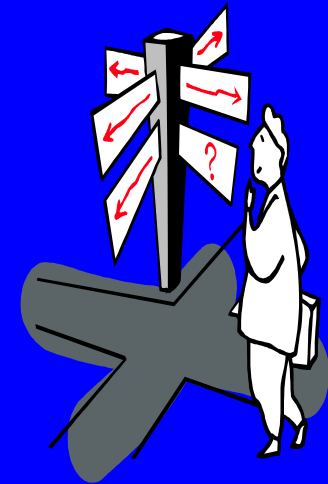


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### **Products & Services**



#### **Broad Perspective**

- Brokerage accounts have twice the AUA as bank accounts**
  - ❖ **Why do banks have dominant market caps? It's the same reason the CFPA was created!**
- Brokerage accounts contain 2/3 stocks & bonds**
  - ❖ **All packaged products combined make up the other 1/3**
- Mutual funds have more assets than all other packaged products combined**
  - ❖ **Mutual funds also had higher flows than all other packaged products combined in 2009 (ETFs challenging in 2010)**



### **Products & Services**

#### **Cash Management**

- ❑ **Flight to quality and/or indecision pushing up bank balances**
  - ❖ **But money market funds leaking badly (seeking higher yields & continued worries about breaking of the buck) (six straight negative flow quarters 1Q/09 -> 2Q/10)**

#### **Mutual Funds**

- ❑ **Overall AUM down \$1.3 trillion 2006-2010**
- ❑ **Strong flows can be deceiving (driven by bond funds)**

#### **Separately Managed Accounts & Comingled Trust Funds**

- ❑ **\$6.4 trillion AUM (second largest market to mutual funds)**
- ❑ **No flows**



### Products & Services



#### □ Indexing

- ❖ Vanguard passes Fidelity (March 2010) (\$1.3 trillion AUM) (leading in 2010 flows \$49 to \$3 billion with 80% to index products)
- ❖ Control what you can - expenses & taxes (Evensky)
- ❖ Active is a Zero Sum Game (and less than zero sum after taxes & expenses) (\$102 billion spent on active management) (Statman)
- ❖ Active will always exist
- ❖ Side impact... Shining light on expenses everywhere

#### □ ETFs

- ❖ \$782 billion AUM (~10% of mutual funds) & \$104 billion net flows (~50% of mutual funds)
- ❖ ETFs & index mutual funds > active mutual funds in 2Q/10
- ❖ Schwab & Fidelity ETF price war
- ❖ Vanguard gaining on Black Rock & State Street

### **Products & Services**

- Hedge Funds & Other Alternatives**
  - ❖ \$1.4 trillion AUM with negative flows in 2008, 2009, & early 2010 (Yusko)**
  - ❖ Emergence of macro versus stock pickers**
  - ❖ Accredited investor - poor Man's Hedge Funds in Mutual Fund Structures -> ~\$150 billion AUM**
  - ❖ Ability to democratize venture capital & private equity? (Triton Pacific)**



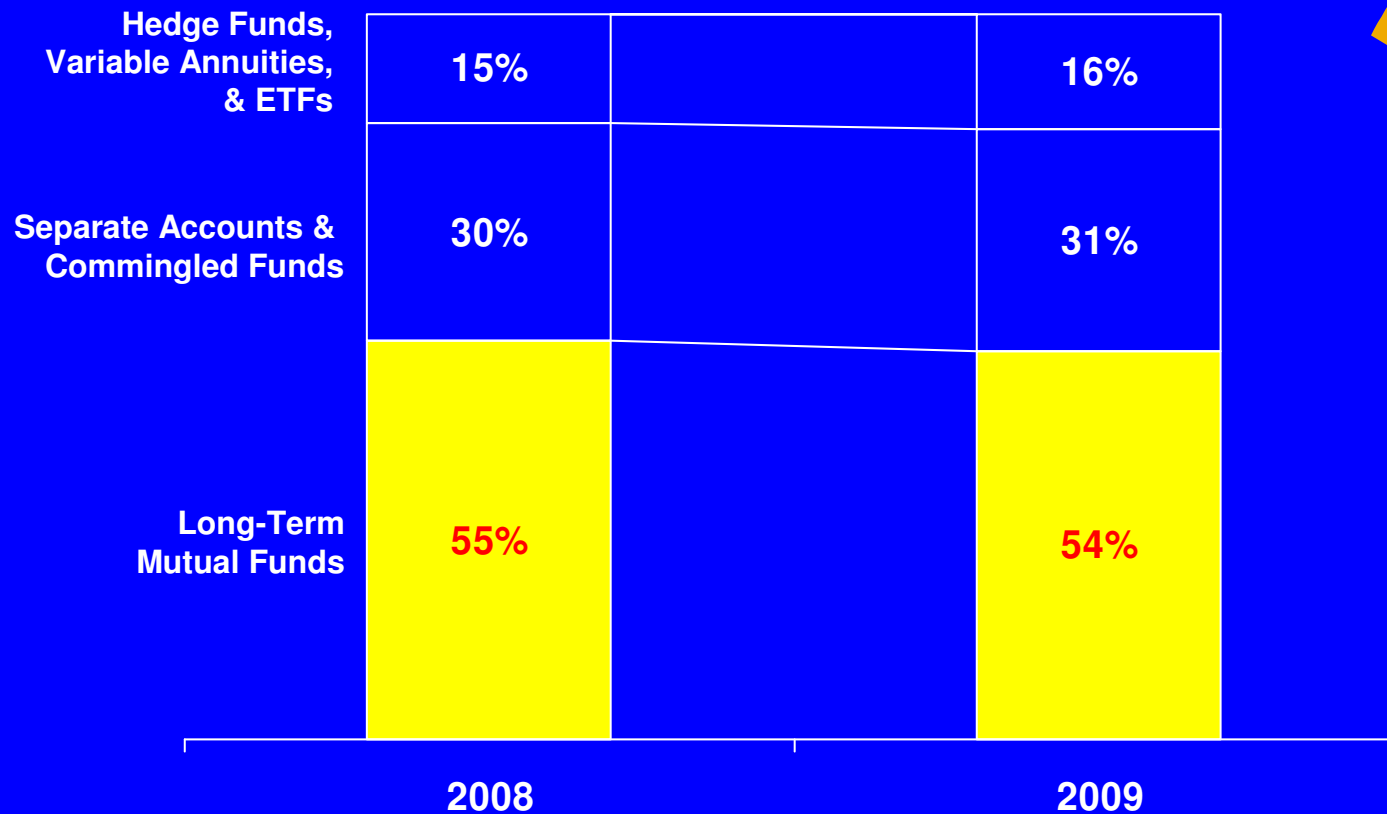
### **Products & Services**



- ❑ **Annuities (& Retirement Income)**
  - ❖ **Variable annuities -> \$1.0 trillion AUM with \$50 billion net flows (larger market than ETFs but with only half the flows)**
  - ❖ **Opportunities**
    - **Guaranteed income solution for middle class (potential for mandate or large plan market adoption)**
    - **Tax deferral opportunity for HNW (Jefferson National)**
  
- ❑ **Other Product Opportunities**
  - ❖ **Target Date Mutual Funds - \$270 billion; nicely recovered from perceived stumbles (Mansueto & Phillips; Forward Management; Foliofn)**
  - ❖ **529 Plans - \$119 billion; the next 401K size market?**
  - ❖ **Impact Investing (Cordes, Statman) - leading edge?**

# Long-Term Mutual Funds Continue to Dominate the Packaged Product Assets Market, with Over 50% Market Share

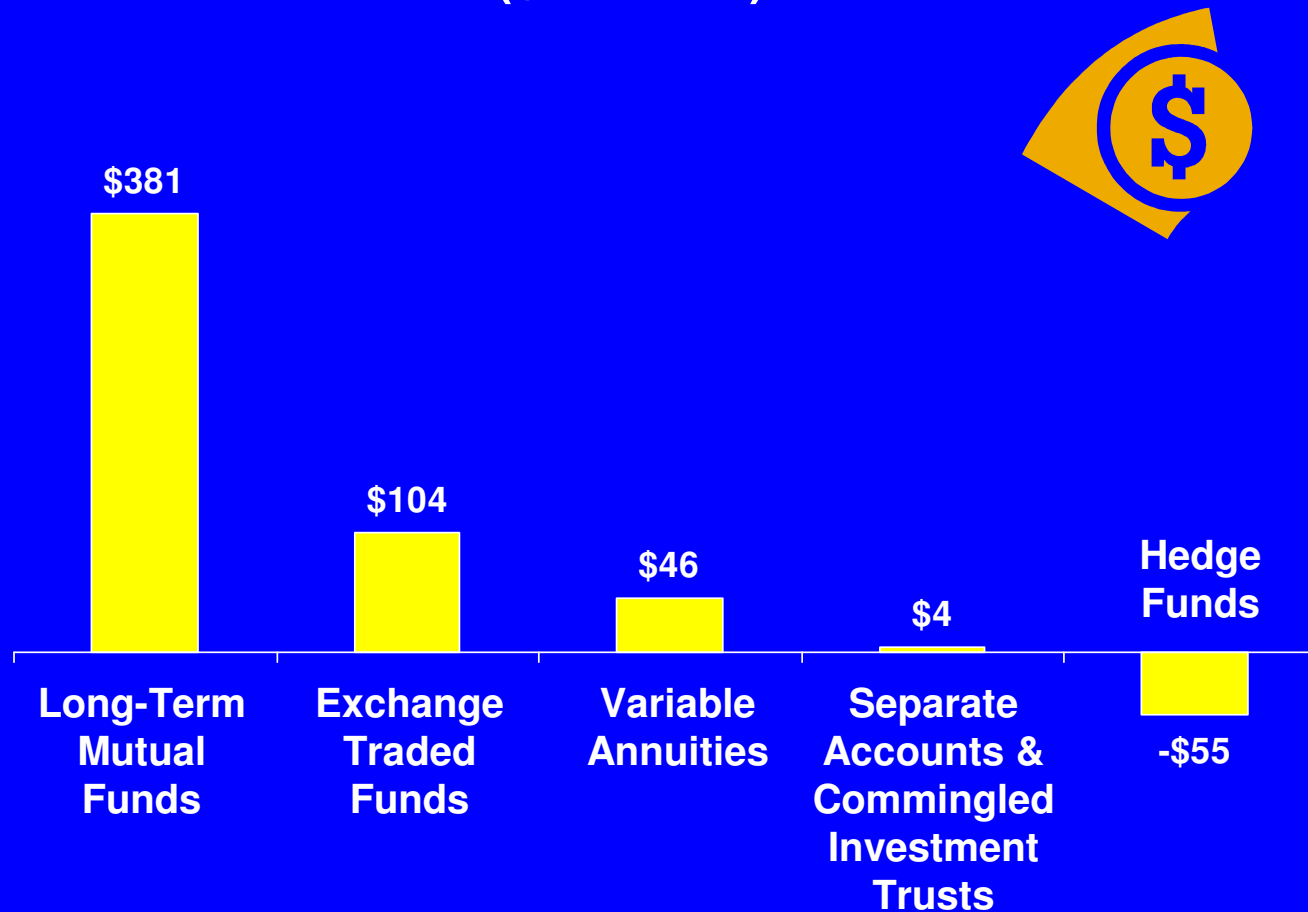
## Packaged Investment Product Assets



Source: 8/30/10 Morningstar Presentation (Mansueto); Tiburon Research & Analysis

# Mutual Funds & Exchange Traded Funds Dominated 2009 Product Net Flows

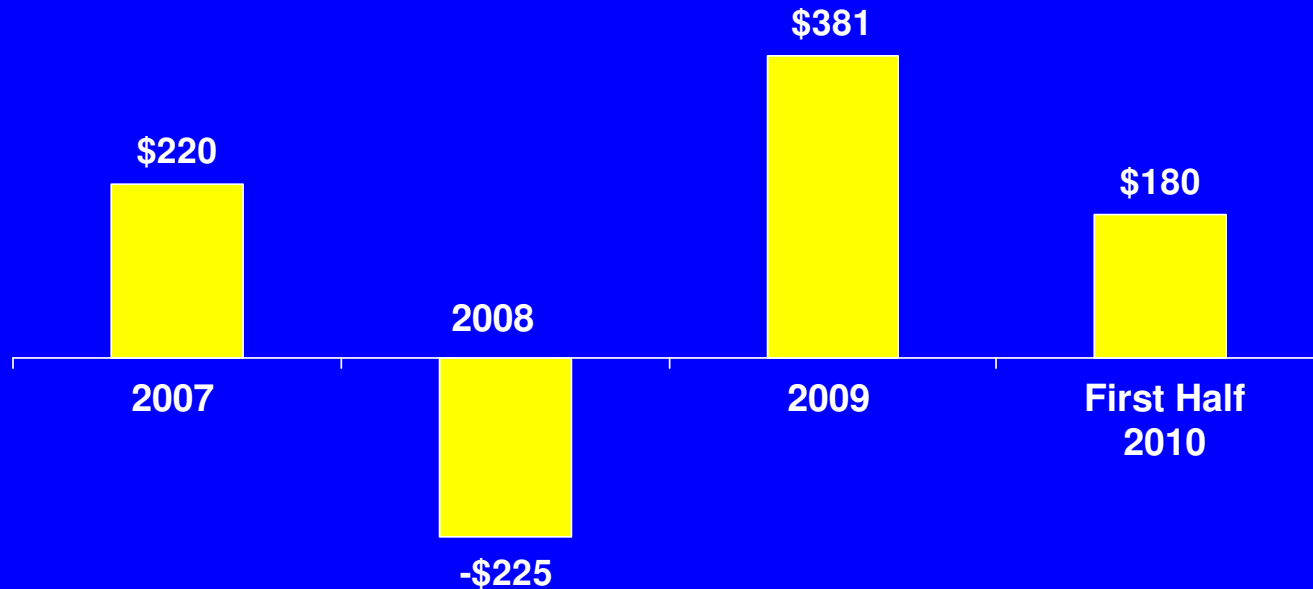
## 2009 Packaged Investment Product Net Flows (\$ Billions)



Source: 8/30/10 Morningstar Presentation (Mansueto); Tiburon Research & Analysis

**Long-Term Mutual Funds' Net Flows Support the Recovery Theory But this May be Misleading as Bond Funds Have Account for Over 100% of 2009 & 2010 Flows**

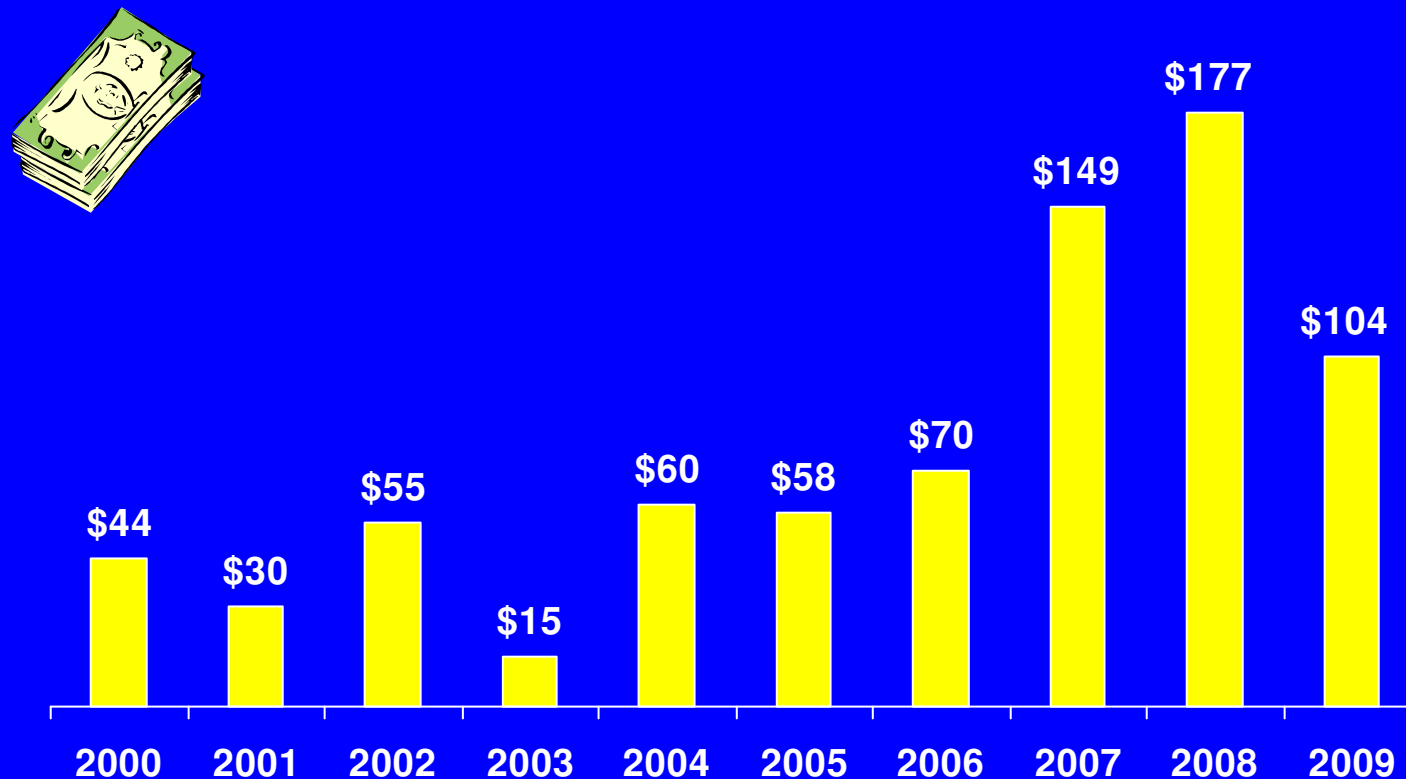
**Long-Term Mutual Funds  
Net Flows  
(\$ Billions)**



Source: 10/2/10 Financial Advisor; 10/1/10 Wall Street Journal; 8/30/10 Morningstar Presentation (Mansueto); 8/28/10 Forward Management Presentation (Schaeffer) (Strategic Insight); Tiburon Research & Analysis

# Exchange Traded Funds Net Flow of \$104 Billion Were Down 60% from 2008 But Still Hugely Positive

## Exchange Traded Fund Net Flows (\$ Billions)



Source: 8/30/10 Morningstar Presentation (Mansueto); 2/22/10 Money Management Executive (Financial Research Corporation); 3/1/09 Research (National Stock Exchange); Tiburon Research & Analysis



# Hedge Fund Net Flows Have Been Negative in Both 2008 and 2009 (as Well as Early 2010)

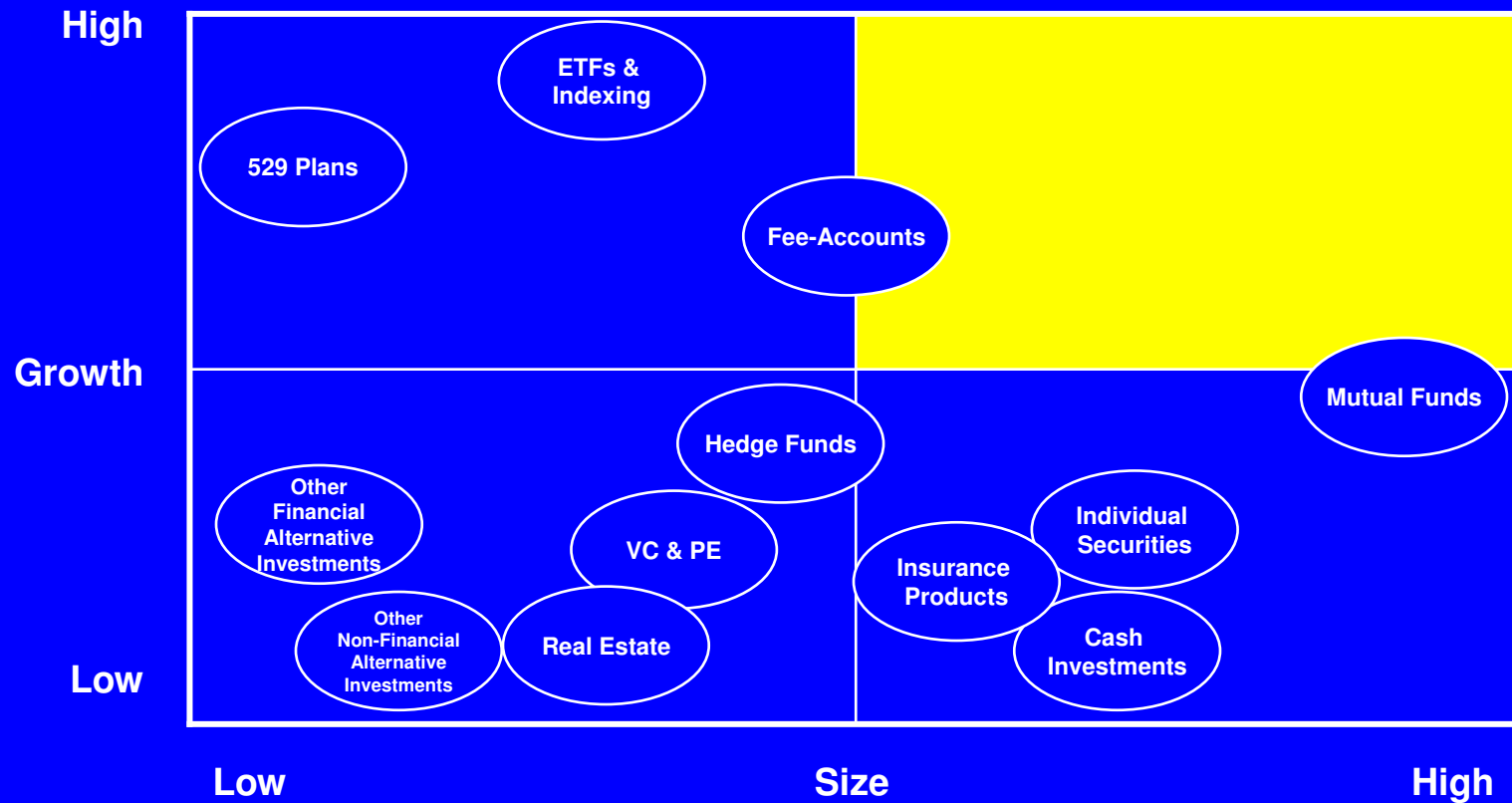
## Hedge Funds Net Flows (\$ Billions)



Source: 8/30/10 Morningstar Presentation (Mansueto); Tiburon Research & Analysis

**The Mutual Funds Business is Still the Largest Financial Product Market By Far, with Fee-Accounts and ETFs & Indexing the Fastest Growing**

**Financial Products & Services Businesses Comparison**

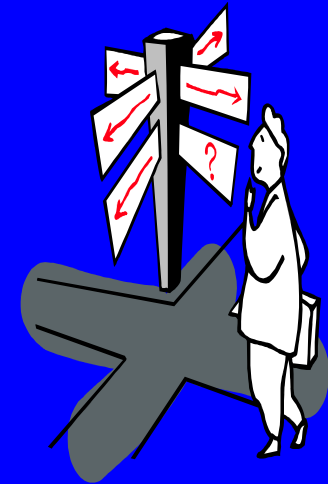


Source: Tiburon Research & Analysis

## Outline

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- **The Back Drop: The 2008-2009 Financial Crisis & Related Financial Services Industry Stumbles**
- **The Industry Impacts: A Reshaped Industry?**
  - **Consumer Wealth & New Attitudes**
  - **Legislative & Regulatory Agenda**
  - **Markets & Distribution Channels**
  - **Products & Services**
  - **Financial Services Investment Opportunities**



### **Financial Services Investment Opportunities**

#### **FSI Valuations (Context Setting)**

- ❑ FSI valuations down more than other stocks in 2008-2009, with regulatory uncertainty having weighed heavily**
- ❑ Many financial service companies are cash poor and open to acquisition discussions**



#### **FSI Venture Capital & IPOs**

- ❑ IPO market was dead until Tiburon clients woke it up**
  - ❖ Financial Engines (Maggioncalda)**
  - ❖ Envestnet (Crager)**
  - ❖ LPL Financial (registered June 2010) (Langlois)**

### Financial Services Investment Opportunities



#### FSI M&A & Private Equity

##### ❑ FSI M&A

- ❖ Aggressive: Morningstar; LPL Financial (Mansueto & Phillips; Langlois)
- ❖ Opportunistic: Ever Bank Financial (Trotter)
- ❖ Out of the Box: Will a wirehouse buy an IBD? Will LPL buy a wirehouse (at least its retail brokerage business)?

##### ❑ FSI private equity

- ❖ Focused on banks
- ❖ Need for capital in IBD market; FINRA shutting them down

##### ❑ FA M&A

- ❖ Hurley strikes again (no value for most!)
- ❖ But some making progress (Fiduciary Network; Focus Financial Partners)



## Comments

- **Focus on corporate-level strategy**
  - **Serve senior executives only at financial services companies**
  - **Key services: market seminars, market research, & strategy consulting**
  - **Served over 300 corporate clients and completed over 1,300 projects since 1998**
  - **Host semi-annual CEO Summits, offer free weekly research releases, and offer free business benchmarking tools for all types of advisors**
- **Chip Roame background**
  - **McKinsey & Company**
  - **Charles Schwab & Company**
  - **Tiburon since 1998**