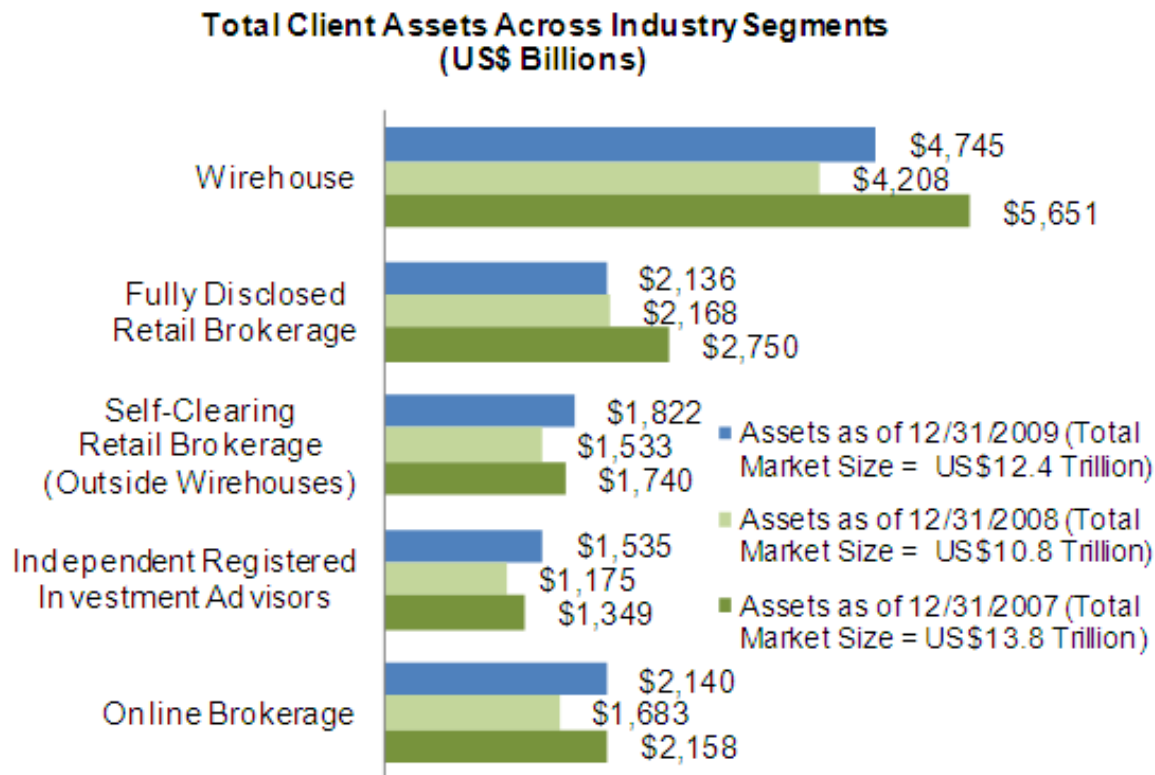


Wealth Management and the Crisis

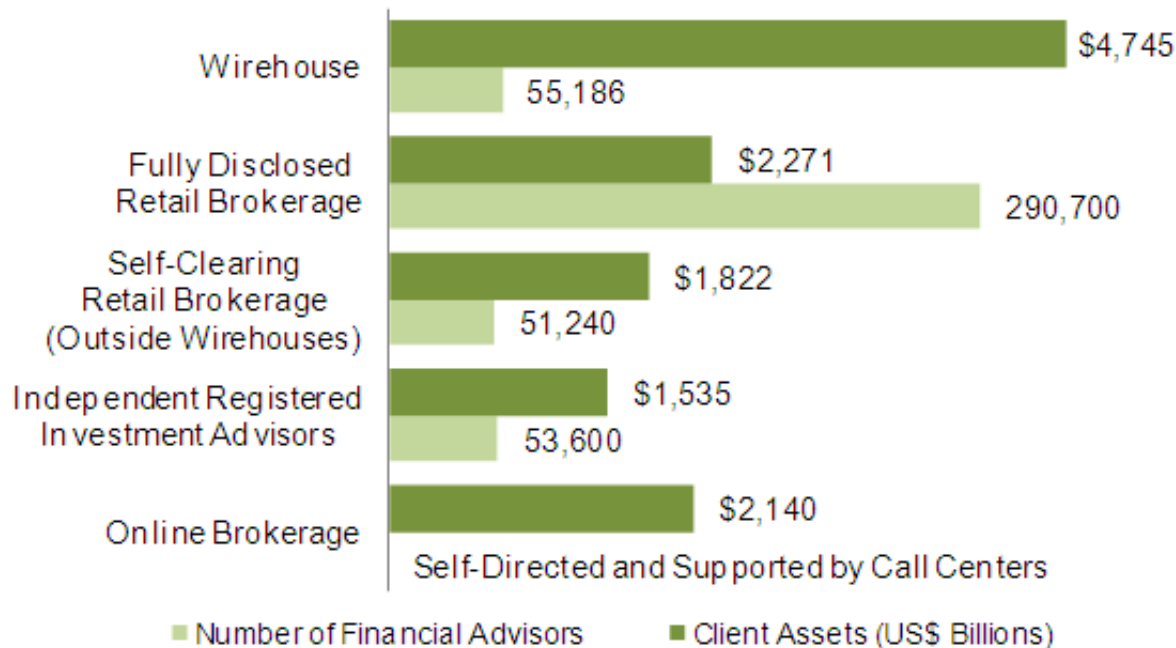


- Wirehouse firms are still well behind old asset levels (minus US\$900bn)
- Competing self-clearing firms and independent RIAs have already surpassed their pre-crisis asset levels and are set for further growth.
- Clearing space continues to lose key clients due to market consolidation.

Source: "New Realities in Wealth Management: Has the Dust Settled?," Aite Group, April 2010

Wealth Management Market Sizing

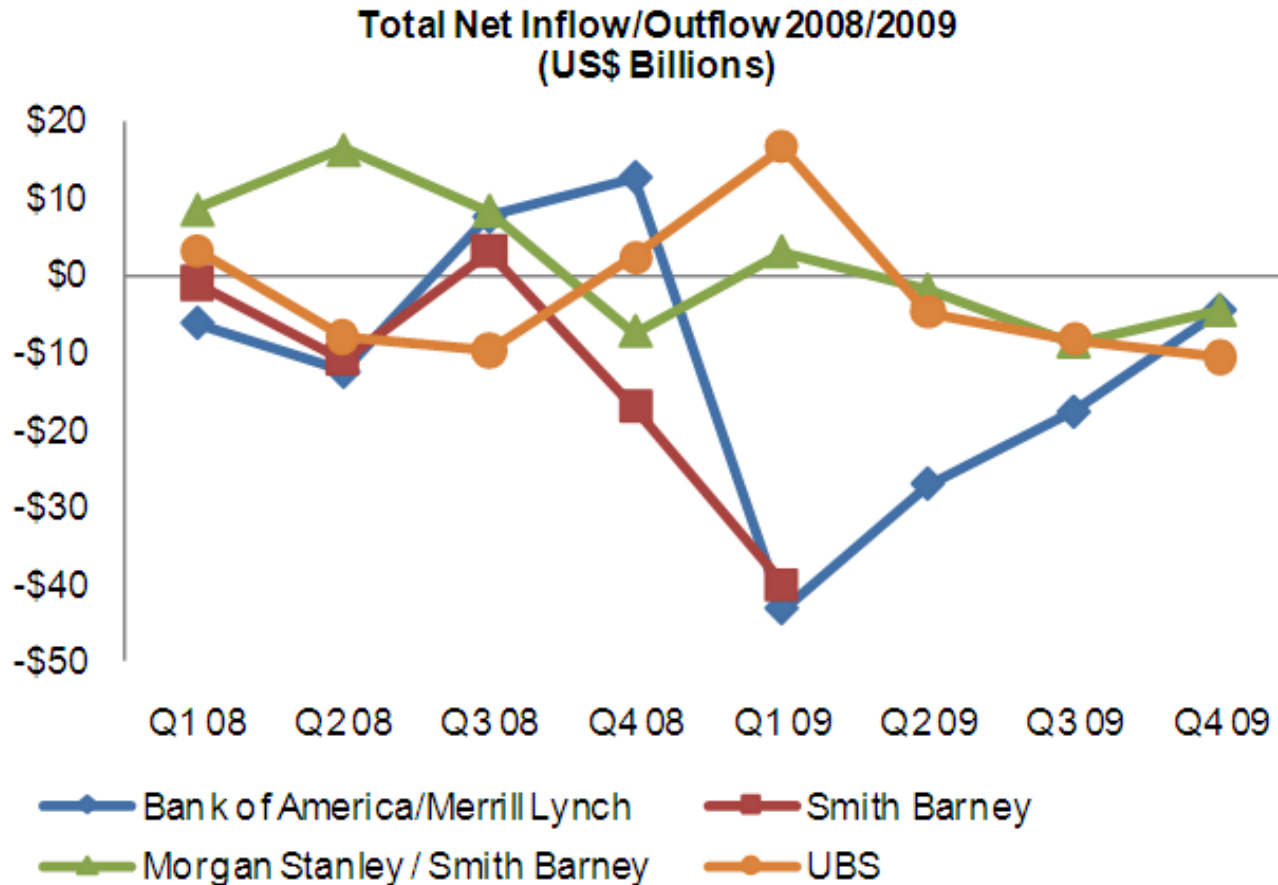
Client Assets and Number of Financial Advisors Across Wealth Management Industry Segments
(Total Client Assets = US\$12.4 Trillion, as of End of 2009)



- Wirehouse firms lead the US wealth management space managing 38% of assets with 12% of advisors.
- Independent RIAs have very similar characteristics to wirehouse brokers.

Source: "New Realities in Wealth Management: Has the Dust Settled?," Aite Group, April 2010

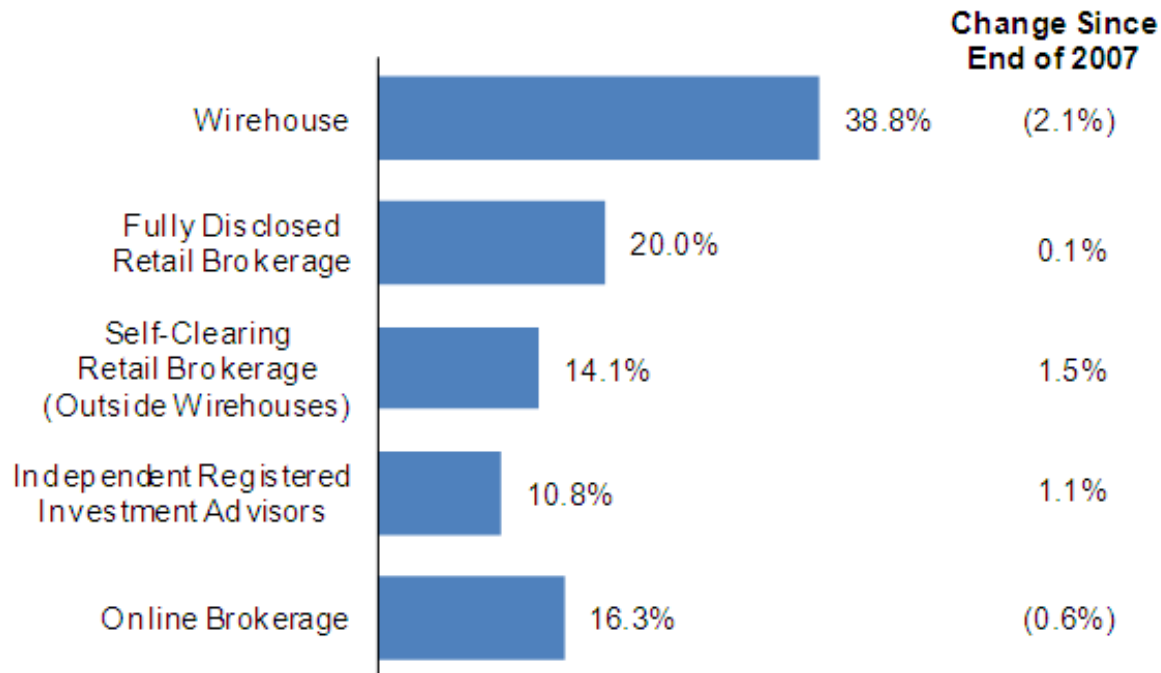
Wirehouse Net Asset Flow 2008 & 2009



Source: "New Realities in Wealth Management: Has the Dust Settled?," Aite Group, April 2010

Wealth Management Assets 2008

Client Assets Across Wealth Management Industry Segments
(Total Client Assets = US\$10.8 Trillion, as of End of 2008)

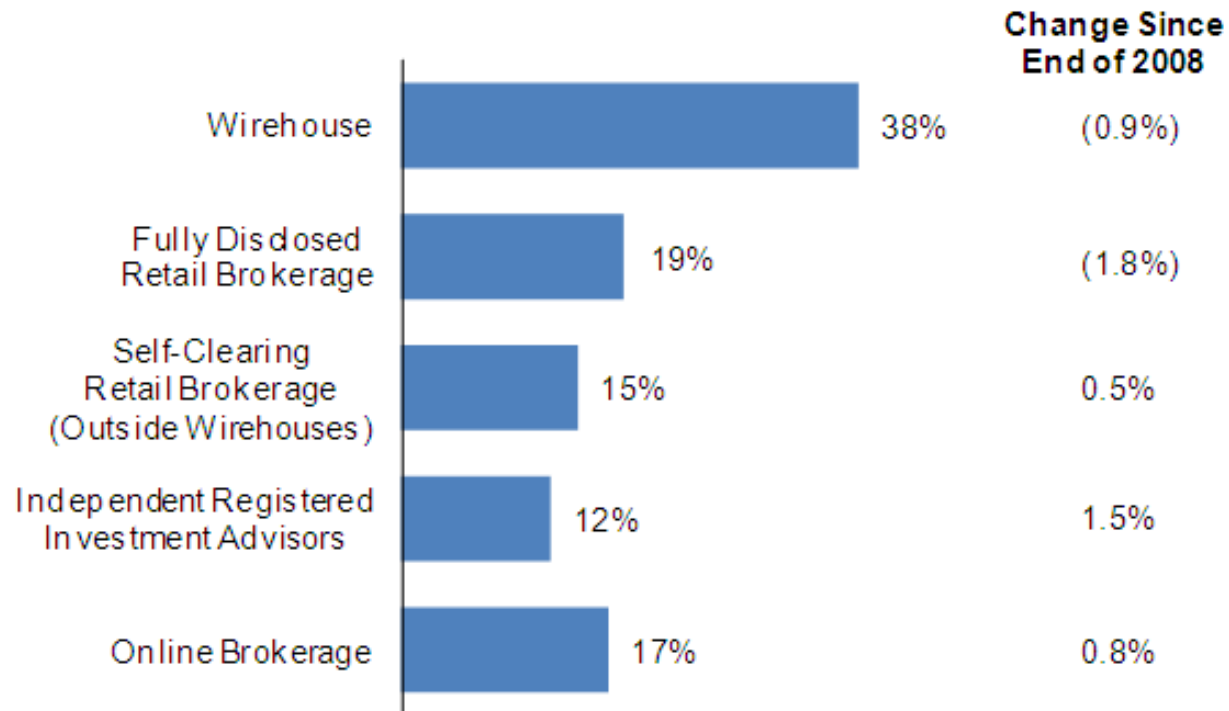


- Wirehouse firms continue to lead the WM space, however, have lost 2.1% of market share in 2008 alone.
- Large independent brokerage networks (e.g., LPL) have captured the lion's share of those assets.
- Registered Investment Advisors also won significant market share.

Source: "New Realities in Wealth Management: Ready for the Sea Change?," Aite Group, July 2009

Wealth Management Assets 2009

Client Assets Across Wealth Management Industry Segments
(Total Client Assets = US\$12.4 Trillion, as of End of 2009)

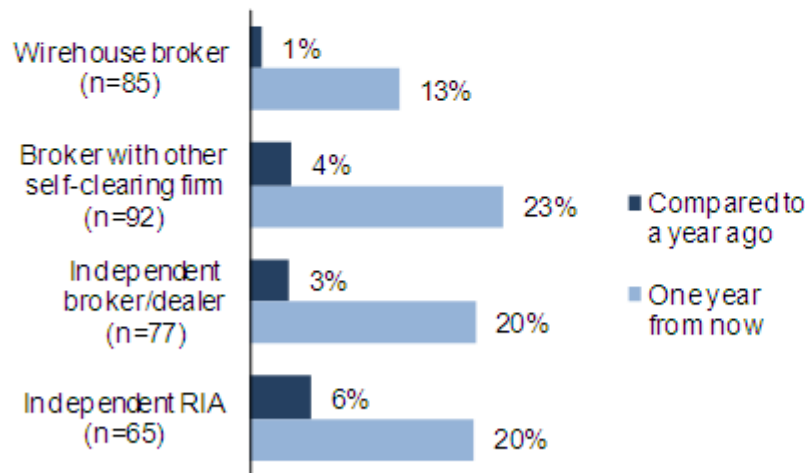


Source: "New Realities in Wealth Management: Has the Dust Settled?," Aite Group, April 2010

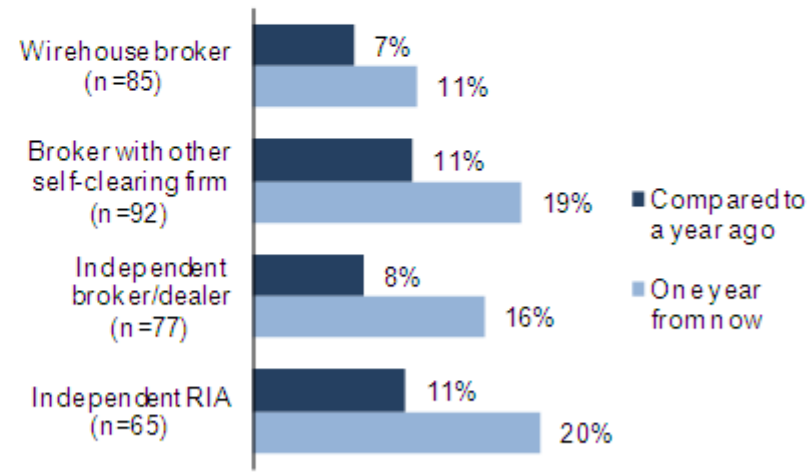
Wealth Management and the Crisis

- While all financial advisors have seen modest growth in their book of business in 2009, wirehouse brokers significantly lagged their peers.
- Advisors have big hopes for 2010, expecting their book to grow by upwards of 20%. Wirehouse expectations remain somewhat muted.

Q. What percentage change have you observed / are you expecting to see in the size of your book of business?



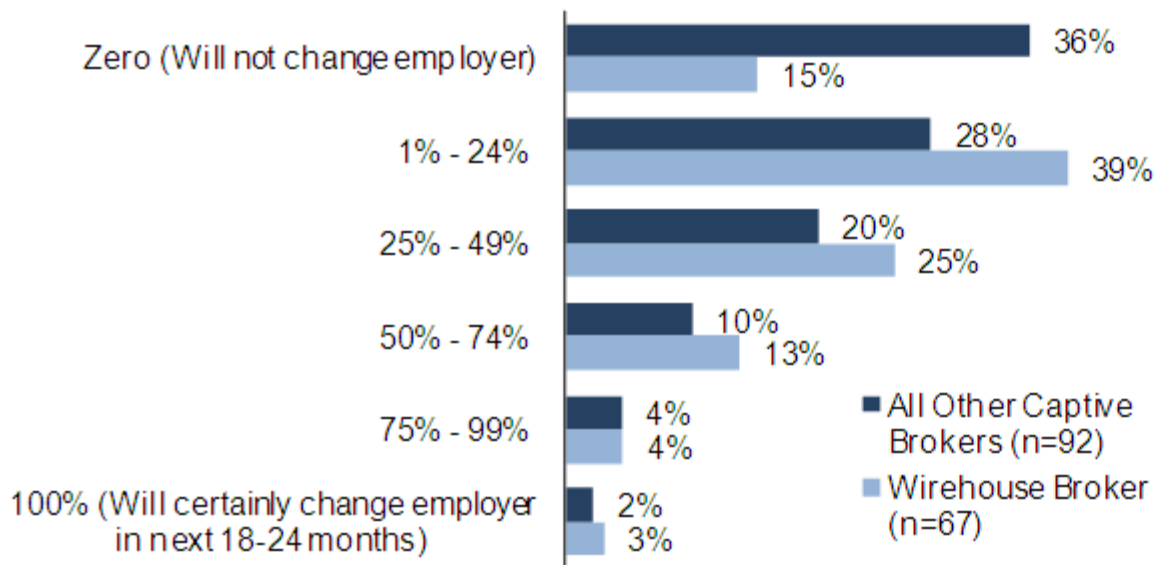
Q. What percentage change have you observed / are you expecting to see in the number of clients you advise directly?



Source: "New Realities in Wealth Management: Has the Dust Settled?," Aite Group, April 2010

Brokers on the Move

Q. What is the percentage chance for you to leave your current employer within the next 18 to 24 months?

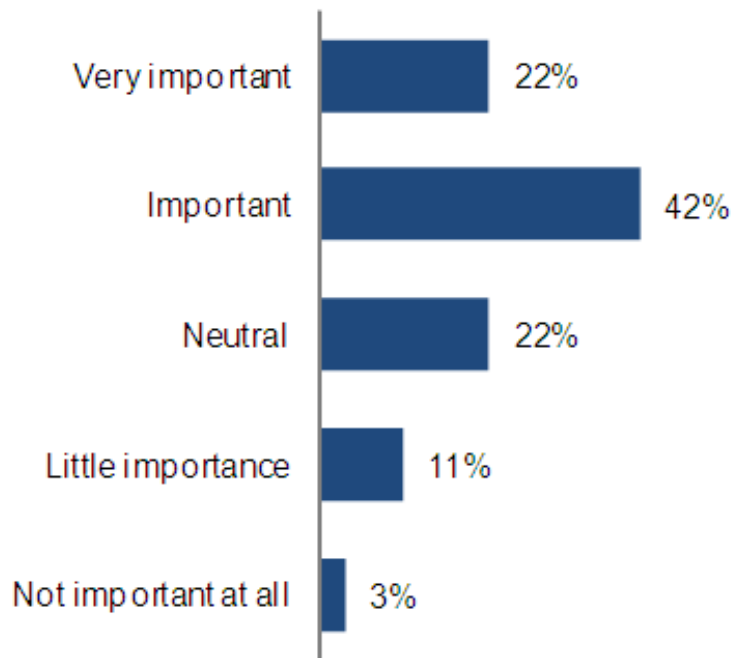


- While the break-away broker trend seems to have slowed down at the end of 2009, the average wirehouse broker still estimates a 29% chance for breaking away within the next two years.
- This phenomenon is not isolated to wirehouses, other captive brokers also give a 23% chance of changing employer or to go independent.

Source: Aite Group survey of 402 financial advisors, Q4 2009.

Technology Determines the Destination

Q. When deciding on working for a firm, how important is the technology offered to you in your decision-making process?
(n=402)



- 64% of advisors see technology as a major part when deciding on working for a firm.
- Only 14% put little or no importance on the technology of a firm.

Source: Aite Group survey of 402 financial advisors, Q4 2009.

Areas Where Technology Can Be a Differentiator

Data aggregation

- Full client financial information (assets and liabilities)
- Off-brokerage platform investment information
 - Fee-based accounts, annuities, 529 plan assets, mutual funds, alternative investments

Front-to-back office integration

- From investment proposal through trade reporting – processing efficiency

Investment product analysis, selection, and trading

- Pre-trade to trade support for ETFs, Mutual Funds, and Annuities

The Changing Face of Wealth Management Technology

Audience Q&A

The Changing Face of Wealth Management Technology

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