

February 19, 2015

Financial Technology Partners LP FTP Securities LLC

Transaction Profile:



secures

\$60,000,000

In financing

Courtesy of:



***The Only Investment Bank
Focused Exclusively on Financial Technology***

Financial Technology Partners
555 Mission St., 23rd Floor
San Francisco, CA 94105
Tel: 415.512.8700

www.ftpartners.com



Steve McLaughlin
Managing Partner
Tel: 415.992.8880
steve.mclaughlin@ftpartners.com

Highly Confidential and proprietary information. Unauthorized distribution without prior consent from Financial Technology Partners LP or FTP Securities LLC (together "FT Partners") is strictly prohibited.
This communication should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product or service, nor is it an official confirmation of any transaction, or representative of an official position or statement of Financial Technology Partners LP, FTP Securities LLC or any other related entity. FTP Securities LLC is a FINRA registered broker-dealer. © 2015.



Betterment Secures \$60 Million in Financing

Transaction Overview

Transaction Overview

- On February 19, 2015, Betterment announced the closing of a \$60 million round of growth funding; global private equity firm Francisco Partners led the financing, which includes participation from previous investors Bessemer Venture Partners, Menlo Ventures, and Northwestern Mutual Capital
 - Bessemer Venture partners has been an investor in Betterment since 2010, when it initially invested \$3 million in the automated wealth management platform
 - The funding round values the company at somewhere between \$400 and \$500 million ⁽¹⁾
 - With this investment, Betterment has now raised a total of \$105 million from various venture and private equity firms
- The company currently has ~90 employees, but Chief Executive Jon Stein expects to grow to 120 within the year ⁽¹⁾
- Betterments' competitors include other emerging personal wealth management firms such as Personal Capital, FutureAdvisor and Wealthfront, which was reportedly valued at \$700 million in its last \$64 million funding round ⁽¹⁾

Betterment Overview

- CEO: Jon Stein
- Headquarters: New York, NY
- Founded: 2007
- Betterment is an automated personal wealth management advisory platform that uses diversification, automated rebalancing, and lower fees to provide optimized returns
 - Betterment customers can expect approximately 4.3% higher returns compared to the typical do-it-yourself investor
 - Betterment's well-rounded team includes PhD holders as well as CFA and CFP certified professionals
 - The company manages more than \$1.4 billion of assets in personalized portfolios for more than 65,000 customers, the largest customer base in the automated investing space

Commentary

"Our growth has continued to accelerate. More people are becoming Betterment customers every day, and our existing customers continue to invest more with us. This new capital will allow us to grow even faster and increase the development of new products that will continue to reinvent investing around what customers want: a seamless, personalized experience that is aligned with their best interest and optimized for the highest expected returns net of all costs"

– Jon Stein, Founder and CEO of Betterment

"We have long felt that the wealth management space was overdue for a solution that could better serve the majority of Americans through smarter technology. Betterment's unique, vertically integrated architecture allows its platform to be lightning fast, which is proving to be compelling with customers as thousands fund new accounts each month."

– Peter Christodoulo, Francisco Partners



Betterment Secures \$60 Million in Financing

Betterment Overview

Betterment Investment Methodology

- Betterment portfolios utilize ETFs due to their unchanging levels of diversification, which makes performance more predictable and decreases the risks associated with manager decisions
- ETFs provide high liquidity, low tax liability and investment flexibility making them cheaper and easier to trade for activities such as creating or restructuring a portfolio
- Betterment's portfolios optimize expense ratios, liquidity, tracking error and tax burden to minimize the total cost of ownership
- Betterment portfolios have expense ratios as low as 0.15%, significantly less than the 0.43% industry average

Financing History

Date	Size (\$ mm)	Investors
02/17/15	\$60	FP FRANCISCO PARTNERS, Menlo, Northwestern Mutual Capital, LLC, BESSEMER VENTURE PARTNERS
04/15/14	32	BESSEMER VENTURE PARTNERS, GLOBESPAN CAPITAL PARTNERS, citi VENTURES, Northwestern Mutual Capital, LLC, anthemis group, Menlo
10/03/12	10	BESSEMER VENTURE PARTNERS, anthemis group, Menlo
12/01/10	3	BESSEMER VENTURE PARTNERS

Betterment Services

Personal Portfolios

Each portfolio can be optimized for a given time horizon and risk tolerance; users can set up emergency funds, long-term and short-term portfolios with different levels of risk and potential returns

Retirement

Betterment customers can roll over their current IRAs and 401(k)s into diversified portfolios that are tailored to each individual's retirement needs

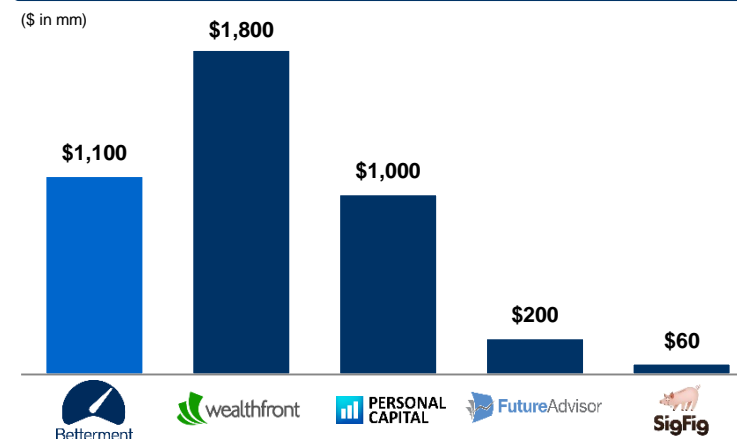
Trusts

With Betterment's wealth management platform, trusts can be tailored with custom goals suitable for each beneficiary's timeline and managed from a single log-in

Tax Loss Harvesting

Betterment offers its customers a tax loss harvesting service to reduce tax exposure and ensure portfolios are provided with additional after-tax returns

Assets Under Management ⁽¹⁾





Betterment Secures \$60 Million in Financing













Selected Personal Wealth Management Financings

Announce Date	Size (\$ mm)	Target	Investors	Announce Date	Size (\$ mm)	Target	Investors
02/17/15	\$60.0	Betterment	Francisco Partners	05/08/14	\$35.0	motif INVESTING	JP Morgan Chase; Wicklow Capital; Balderton Capital; Goldman Sachs; Foundation Capital; Ignition Partners; Norwest Venture Partners
01/20/15	40.0	motif INVESTING	Renren	04/22/14	3.0	W WEALTHACCESS	SixThirty; Council & Enhanced TN Fund
12/01/14	50.0	BETA 挖财 Wacai	CBC Capital; CICC Jia Cheng Investment Management; IDG Financial Innovation Fund; CDH Investments; Qiming Ventures	04/15/14	28.0	LV LEARNVEST	Northwestern Mutual Capital; Accel Partners
11/23/14	27.0	eToro Trading Starts Here	BRM Group; Ping An Capital; SBT Venture Capital; Spark Capital Partners	04/15/14	32.0	Betterment	Citi Ventures; Bessemer Venture Partners; Menlo Ventures; Anthemis Group; Globespan Capital Partners; Northwestern Mutual Capital
10/29/14	50.1	PERSONAL CAPITAL	Corsair Capital; BBVA Ventures; USAA Investment Management Company; IVP; Venrock; Crosslink Capita	04/03/14	35.0	wealthfront	Ribbit Capital; The Social+Capital Partnership; Index Ventures; Greylock Partners; DAG Ventures
10/28/14	64.2	wealthfront	Spark Capital; Dragoner Investment Group; Index Ventures; DAG Ventures; Greylock Partners; Ribbit Capital; The Social+Capital Partnership	03/12/14	5.5	acorns	Jacobs Asset Management
09/03/14	6.0	nextcapital.	Transamerica Ventures; Russell Investments; Kelvingrove Partners; Vermont Seed Capital Fund; FinTech Collective	02/11/14	1.5	W WEALTHACCESS	na
08/14/14	na	W WEALTHACCESS	Cultivation Capital	01/28/14	na	nutmeg	na
06/25/14	32.0	nutmeg	Schroders; Balderton Capital	01/14/14	0.7	FlexScore	na
05/21/14	15.5	FutureAdvisor	Canvas Ventures; Sequoia Capital	09/23/13	10.0	BETA 挖财 Wacai	IDG Financial Innovation Fund

Source: Company websites, Capital IQ, FT Partners proprietary transaction database.

Betterment Secures \$60 Million in Financing

Selected Personal Wealth Management Financings (cont.)

Announce Date	Size (\$ mm)	Target	Investors	Announce Date	Size (\$ mm)	Target	Investors
07/26/13	\$16.5	 LEARNVEST™	American Express; Capital Alignment Partners; Accel Partners	05/01/12	\$8.0	 SIGFIG	DCM
07/15/13	na	 nutmeg	na	03/08/12	15.0	 eToro Trading Starts Here	BRM Group; Spark Capital Partners
07/02/13	15.0	 SIGFIG	Bain Capital Ventures; Union Square Ventures	08/31/11	4.0	 covestor	na
06/13/13	13.0	 covestor	Bay Partners; Union Square Ventures; Amadeus Capital Partners Limited; Spark Capital	08/26/11	20.0	 PERSONAL CAPITAL	Institutional Venture Partners; Venrock
06/05/13	27.0	 PERSONAL CAPITAL	BlackRock; Crosslink Capital; Venrock; IVP; Correlation Ventures	07/25/11	20.0	 motif INVESTING	Foundation Capital; Ignition Partners; Norwest Venture Partners
04/01/13	1.5	 FlexScore™	na	05/27/11	19.0	 LEARNVEST™	Circle Financial Group; Rose Tech Ventures; Accel Partners; PKS Capital; Richmond Management
03/20/13	20.0	 wealthfront	Index Ventures; The Social+Capital Partnership; Greylock Partners; DAG Ventures	12/29/10	8.3	 eToro Trading Starts Here	Spark Capital Partners; BRM Group; Social Leverage
02/28/13	25.0	 motif INVESTING	Goldman Sachs; Foundation Capital; Ignition Partners; Norwest Venture Partners	12/01/10	3.0	 Betterment	Betterment's Angel Investors & Thomas Lehrman; Bessemer Venture Partners; NOAH Private Wealth Management; Anthemis Group
10/03/12	10.0	 Betterment	Menlo Ventures; Bessemer Venture Partners; Anthemis Group	06/08/10	2.4	 eToro Trading Starts Here	BRM Group; Cubit Investments; Social Leverage
08/22/12	5.0	 FutureAdvisor	Sequoia Capital	04/01/10	4.5	 LEARNVEST™	Accel Partners; Richmond Management; Rose Tech Ventures; Circle Financial Group
06/18/12	5.3	 nutmeg	Pentech Ventures	03/05/10	3.6	 covestor	na

Source: Company websites, Capital IQ, FT Partners proprietary transaction database.

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

FT Partners has advised on the most prominent transactions in the Securities and Capital Markets Technology sector

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

ShareholderInSite

in its sale to

IPREO

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

Alpha

in its acquisition by

TMX Maple Group

valued at approximately

\$ 175,000,000

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

THE MARKETS.com

in its sale to

Capital IQ

A Division of Standard & Poor's

for total consideration of approximately

\$ 300,000,000

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

INSTINET

in the sale of its stake in

CHIX EUROPE

to

BATS

for total consideration of approximately

\$ 305,000,000

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

WOMBAT

FINANCIAL SOFTWARE

in its sale to

NYSE Euronext

for total consideration of approximately

\$ 225,000,000

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

MERGENT

In the sale of its 100% business to

NASDAQ OMX

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

TORA

TECHNOLOGY, TRADING, LIQUIDITY.®

In its minority capital raise with

Goldman Sachs Bank of America Merrill Lynch

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

liquidnet

in its financing for approximately

\$ 250,000,000

valued at approximately

\$ 1,800,000,000

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

chi-x

In its sale of a minority stake to

Bank of America Merrill Lynch GETCO Goldman Sachs Morgan Stanley QUANTLIB FINANCIAL LLC

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

MarketAxess

In its minority capital raise with

TCV

for approximately

\$ 35,000,000

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

TradingScreen

SIMPLYING GLOBAL MARKETS.®

In its minority recapitalization for

\$ 110,000,000

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

ENVESTNET

in its

\$69,000,000 Initial Public Offering

valuing the equity at approximately

\$ 300,000,000

FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank
Focused Exclusively on Financial Technology

FINANCIAL
TECHNOLOGY
PARTNERS

Overview of FT Partners

Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



M&A Advisor Awards

- | | |
|------|--|
| 2014 | <ul style="list-style-type: none"> ■ Equity Financing Deal of the Year ■ Professional Services Deal of the Year, Above \$100mm |
| 2012 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Professional Services Deal of the Year, Above \$100 mm |
| 2011 | <ul style="list-style-type: none"> ■ Boutique Investment Bank of the Year ■ Deal of the Decade ■ <i>10 Deal of the Year Nominations Across 9 Categories</i> |
| 2010 | <ul style="list-style-type: none"> ■ Upper Middle Market Deal of the Year, Above \$500 mm ■ IT Services Deal of the Year, Below \$500mm ■ Cross-Border Deal of the Year, Below \$500mm |
| 2007 | <ul style="list-style-type: none"> ■ Dealmaker of the Year – Steve McLaughlin ■ Business to Business Services Deal of the Year ■ Computer and Information Technology Deal of the Year, Above \$100mm ■ Financial Services Deal of the Year, Above \$100mm |



- | | |
|-----------|---|
| 2006-2008 | <ul style="list-style-type: none"> ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
|-----------|---|



Middle Market Financing Awards

- | | |
|------|--|
| 2008 | <ul style="list-style-type: none"> ■ Equity Financing Dealmaker of the Year – Steve McLaughlin ■ Information Technology Deal of the Year ■ Financial Services Deal of the Year |
| 2006 | <ul style="list-style-type: none"> ■ Financing Professional of the Year – Steve McLaughlin ■ <i>Financing Deal of the Year - Equity</i> ■ <i>Financing Deal of the Year - Debt</i> |

Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.