

FT PARTNERS FINTECH INDUSTRY RESEARCH

October 20, 2016



Morningstar Acquires PitchBook

for an implied value of

\$225 million



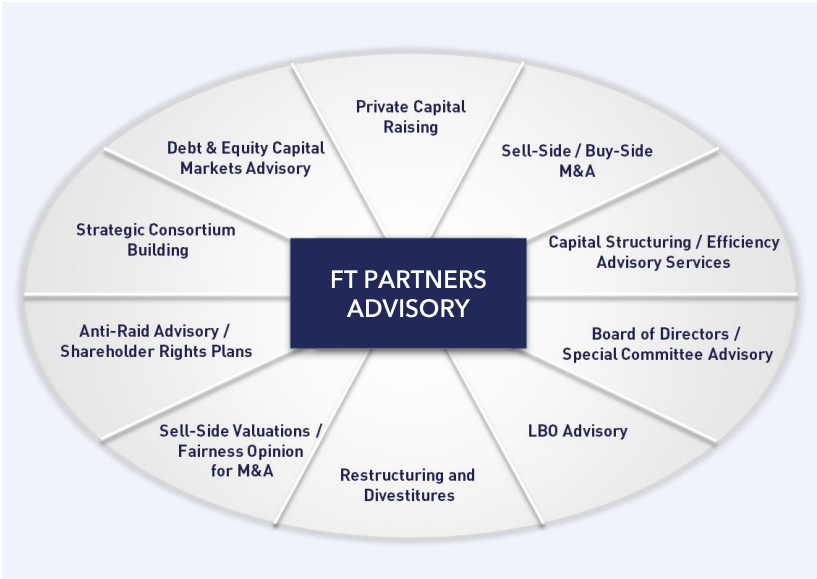
Overview of FT Partners



Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech

FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



The Information

Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by The Information



Ranked #4 Most Influential Person in all of FinTech in Institutional Investors "FinTech Finance 35"



Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: Founder & CEO

Tel: 415.992.8880

steve.mclaughlin@ftpartners.com



Morningstar Acquires PitchBook for \$225 million

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Transaction Summary



Transaction Summary

- On October 14, 2016, Morningstar announced that it has agreed to acquire PitchBook
 - With this acquisition, Morningstar can now apply its core data and software capabilities to a new customer base: private and institutional investors
 - The transaction is expected to close in the fourth quarter of 2016
- Morningstar was an early investor in PitchBook and currently owns 20% of the company
 - Subject to working capital changes, Morningstar is expecting to pay approximately \$180 mm to acquire the remaining ownership interest
 - This transaction will value PitchBook at \$225 mm according to the Company's press release
 - Morningstar previously invested \$1.2 mm in PitchBook's Series A round in September 2009 and another \$10 mm in its Series B round in January 2016
- PitchBook will maintain its brand and identity, with its current founder and CEO, John Gabbert, retaining his leadership position in the company
- The acquisition will enable PitchBook to leverage Morningstar's capabilities in order to enter the next stage of growth and expand into other markets, such as Europe or Asia
 - PitchBook intends on developing the next generation of its data and software platform

Transaction Commentary

"Both Morningstar and PitchBook share the goal of bringing transparency to the investment landscape, and PitchBook is in a great position to continue its strong growth trajectory as private markets and private companies are areas of rapidly growing investor interest. Data has always been Morningstar's sweet spot, and we look forward to working with PitchBook to help investors and advisors better understand and navigate this evolving area of the market. Over time, we plan to add some of Morningstar's proprietary research capabilities to this dataset, and we also see meaningful opportunities to expand the business globally."



Kunal Kapoor
President; (CEO effective Jan. 1, 2017)



"I reached out to Morningstar as a potential investor seven years ago because I admired the company's entrepreneurial spirit and innovative products. Joining forces with Morningstar will help us enter into our next stage of growth, including developing the next-generation version of our award-winning data and software platform, investing in our world-class sales and customer support functions, and expanding our business in Europe and Asia. As investors increasingly broaden their horizons beyond traditional public markets and investments, the multi-asset capabilities Morningstar is building will become even more valuable."



John Gabbert
Founder, CEO



Morningstar Acquires PitchBook for \$225 million

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PitchBook Overview



Company Overview



1,800+
Clients



300+
Employees



\$31.1 mm
In LTM revenue,
ended June 30,
2016

CEO: John Gabbert
Headquarters: Seattle, WA
Founded: 2007

- PitchBook is a leading provider of global Venture Capital, Private Equity and M&A information and activity
- Data coverage includes company details, investors, Financing and M&A transactions, limited partners, funds, financials, advisors, people, news and analysis
 - PitchBook data covers the entire investment lifecycle
- PitchBook serves a variety of clients, including Investment Banks, VC and PE firms, Law firms and Accounting firms

Management



John Gabbert
Founder,
Chief Executive
Officer



Rod Diefendorf
Chief Operating
Officer



Fabrice Forget
Chief Product
Officer



Adley Bowden
VP of Market
Development &
Analysis

Product Overview



PitchBook Platform

- ✓ VC, PE and M&A Workstation
- ✓ Data, research & analysis
- ✓ Mobile app
- ✓ Excel plugin



Customizable
Dashboard



Advanced Screening



Data Visualization



Share and Export



Contact Information



Side-by-Side
Comparison



Curate and Manage
Lists



Alerts and Monitors

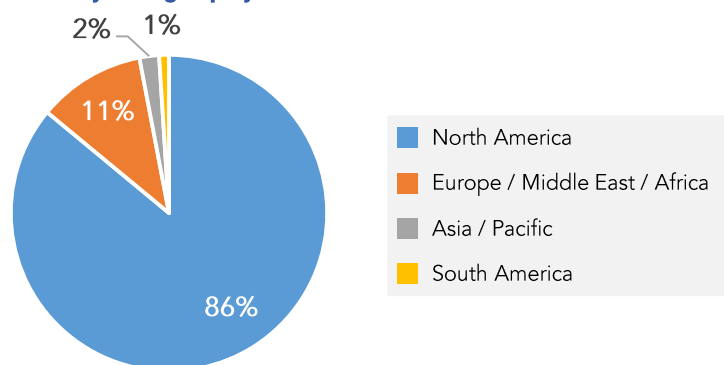
Morningstar Acquires PitchBook for \$225 million

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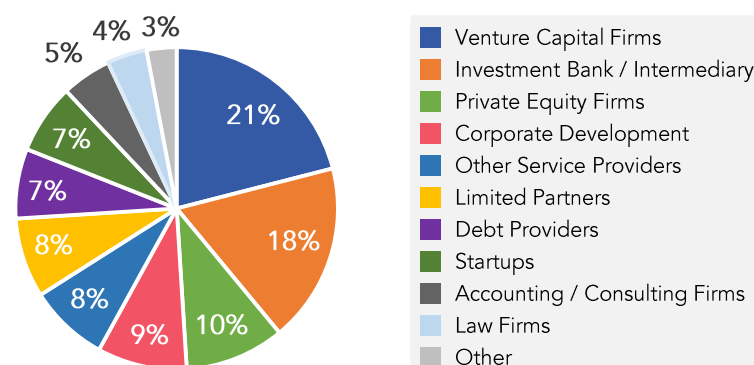
PitchBook Overview (Cont.)



Clients by Geography



Clients by Segment



High-Level Database Coverage

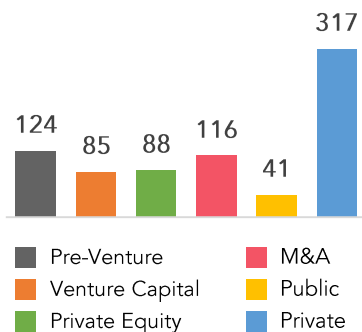
Companies: 718,000
Funds: 35,000
People: 1,170,000
Service Providers: 27,000

Investments: 533,000
Investors: 162,000
Limited Partners: 23,000

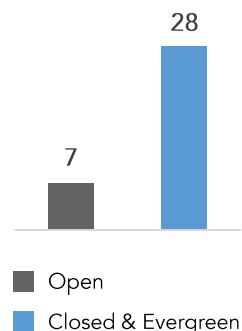
"PitchBook's client count has more than tripled over the past three years (to more than 1,800), and sales bookings have grown by a compound annual growth rate of more than 70% for the five years ended Dec. 31, 2015."

- Press Release

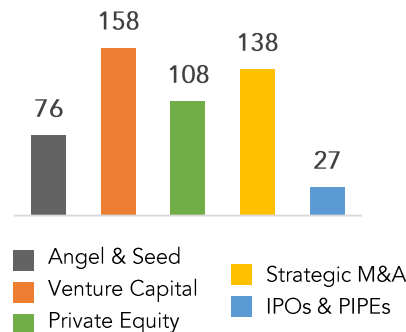
Companies (in 000's)



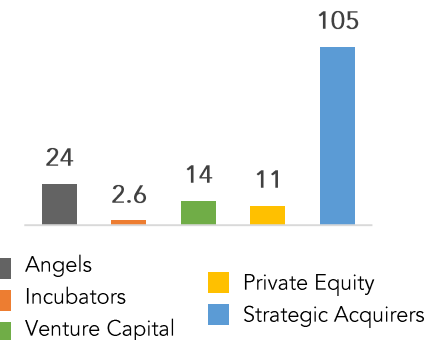
Funds (in 000's)



Investments (in 000's)



Investors (in 000's)



Morningstar Acquires PitchBook for \$225 million

FT PARTNERS RESEARCH

Morningstar Overview



Company Overview



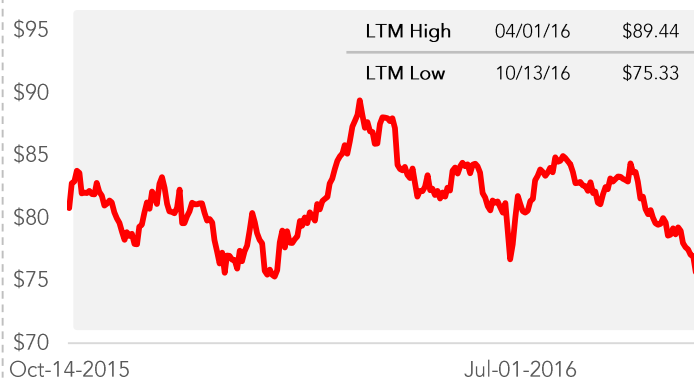
CEO: Joe Mansueto
Headquarters: Chicago, IL
Founded: 1984

Financial Metrics ⁽¹⁾

Ticker: NasdaqGS:MORN
Market Cap: \$3.3 bn ⁽³⁾
LTM Revenue: \$787.2 mm
LTM EBITDA: \$249.9 mm
LTM Adj. NI: \$131.3 mm

- Morningstar is a leading provider of independent investment research in various markets, including North America, Europe, Australia and Asia
- The Company provides coverage on over 500,00 investment offerings (stocks, mutual funds and other vehicles), along with real-time global market data on nearly 18 million equities, indexes, futures, options, commodities, FX and Treasuries
- Morningstar offers investment advisor services through its subsidiaries, with more than \$185 bn AUM as of June 30, 2016

Stock Performance



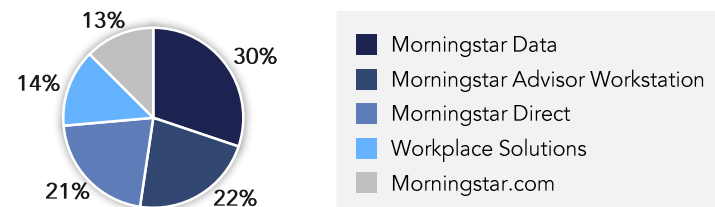
Revenue / % Revenue Growth



Strategy and Key Objectives

- Morningstar is focusing on three core areas to widen its economic moat
 - Produce the most effective investment data, research and ratings
 - Develop Morningstar Direct as their flagship platform
 - Use proprietary research to build world-class investment management solutions

2015 Revenues by Product ⁽²⁾



Source: Company press release, Company website, CapIQ, PitchBook.

(1) As of June 30, 2016.

(3) As of October 17, 2016.

(2) Includes foreign currency translation effects

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Selected Transactions – Superior Industry Knowledge and Execution History

Wealth Management

Financial Technology Partners LP
FTP Securities LLC
*is pleased to announce its exclusive role as
Capital Markets & IPO Advisor to*

ENVESTNET

in its

\$69,000,000
Initial Public Offering
valuing the equity at approximately

\$ 300,000,000

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TECHNOLOGY
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The Only Investment Bank
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Financial Technology Partners LP
FTP Securities LLC
*is pleased to announce its exclusive role as
sole strategic and financial advisor to*

PENSCO
TRUST COMPANY

in its sale to

OpusBank
BUILD YOUR MASTERPIECE®

for total consideration of

\$ 104,000,000

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Financial Technology Partners LP
FTP Securities LLC
*is pleased to announce its
exclusive role as advisor to*

BLACKROCK

in its 100% acquisition of

FutureAdvisor

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Focused Exclusively on Financial Technology

Data / Analytics

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

Zephyr
ASSOCIATES, INC.

in its sale to

informa

for total cash consideration of

\$ 62,000,000

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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

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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*

alphasense

in its financing from

SOROS
Soros Fund Management

Triangle Peak **TVP**
TRIBECA VENTURE PARTNERS

FINANCIAL
TECHNOLOGY
PARTNERS

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High Frequency Trading

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

ATD
Automated Trading Desk, LLC

in its sale to

citi

*for cash and stock consideration of
approximately*

\$ 680,000,000

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TECHNOLOGY
PARTNERS

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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*

QUANTHOUSE
FINANCIAL SERVICES

in its growth financing with

ViewPoint.
Capital Partners

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TECHNOLOGY
PARTNERS

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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

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Focused Exclusively on Financial Technology

Selected Transactions – Superior Industry Knowledge and Execution History

Trading Technology

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to



in the recapitalization of

for cash consideration of approximately

\$ 230,000,000



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



in its minority capital raise with



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



in its minority recapitalization for

\$ 110,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Trading Venues

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to



in its financing for approximately

\$ 250,000,000

valued at approximately

\$ 1,800,000,000



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



in its sale of a minority stake to



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



in the sale of its stake in
CHI-X EUROPE
to



for total consideration of approximately

\$ 305,000,000



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Focused Exclusively on Financial Technology

Other Capital Markets Technology

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to



in its sale to



for total consideration of approximately

\$ 56,000,000



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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



in its sale to



A Division of Standard & Poor's

for total consideration of approximately

\$ 300,000,000



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



in its sale to



The Only Investment Bank
Focused Exclusively on Financial Technology

Selected FT Partners' Research – *Click to View*



Research Report: Innovations in Capital Markets Technology



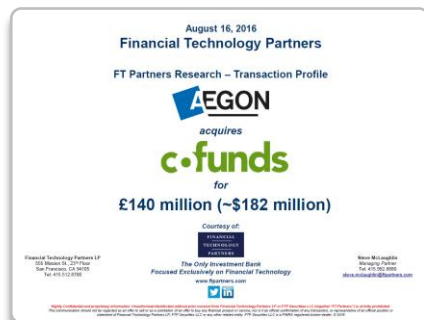
PENSICO Trust Company's Sale to Opus Bank



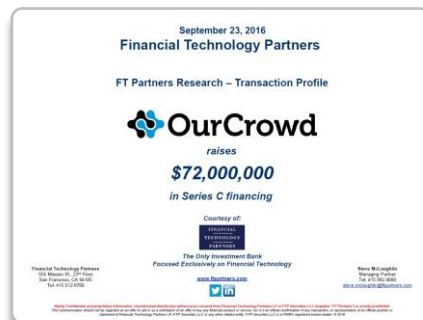
BlackRock's acquisition of FutureAdvisor



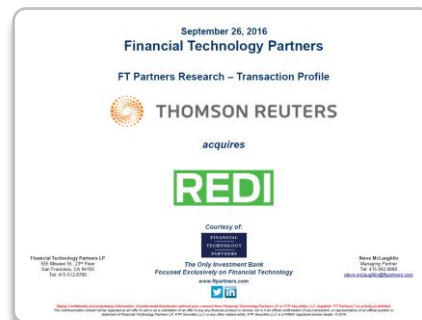
AlphaSense's \$33 mm growth financing



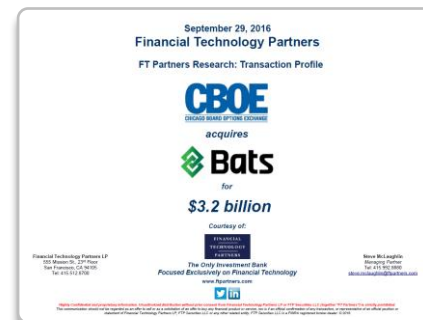
Aegon Acquires Cofunds



OurCrowd Raises \$72 mm in Series C Financing



Thomson Reuters Acquires REDI

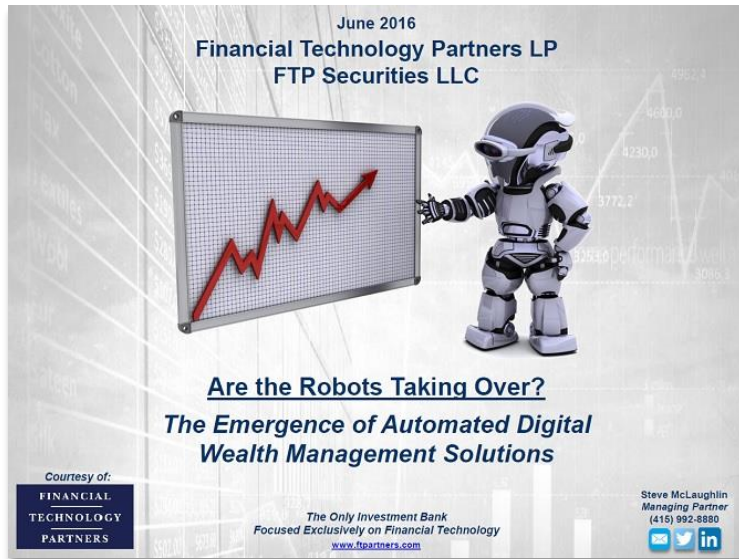


CBOE Acquires Bats for \$3.2 bn

VIEW MORE FT PARTNERS RESEARCH

Selected FT Partners' Research – Digital Wealth Management

Are the Robots Taking Over? The Emergence of Automated Digital Wealth Management Solutions



[Click to View](#)

FT Partners' 140-page report provides a comprehensive overview of key industry trends driving innovation in the wealth management space and how the industry is reacting to the emergence of Robo Advisors and other Digital Wealth Management disruptors.

Additional highlights of the report include:

- A discussion of the different Automated Digital Wealth Management platforms and business models
- The responses of incumbents in the wealth management space, including the innovations, partnerships and acquisitions being made to stay ahead of the game
- Interviews with eight CEOs of leading Digital Wealth pioneers including Betterment, Link Pacific Advisors, MyVest, NextCapital, Nutmeg, Riskalyze, SigFig and Vanare
- A detailed industry landscape of Digital Wealth Management providers as well as other innovative, tangential companies, profiles of 28 companies and a comprehensive list of private equity financing and M&A transactions in the space

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

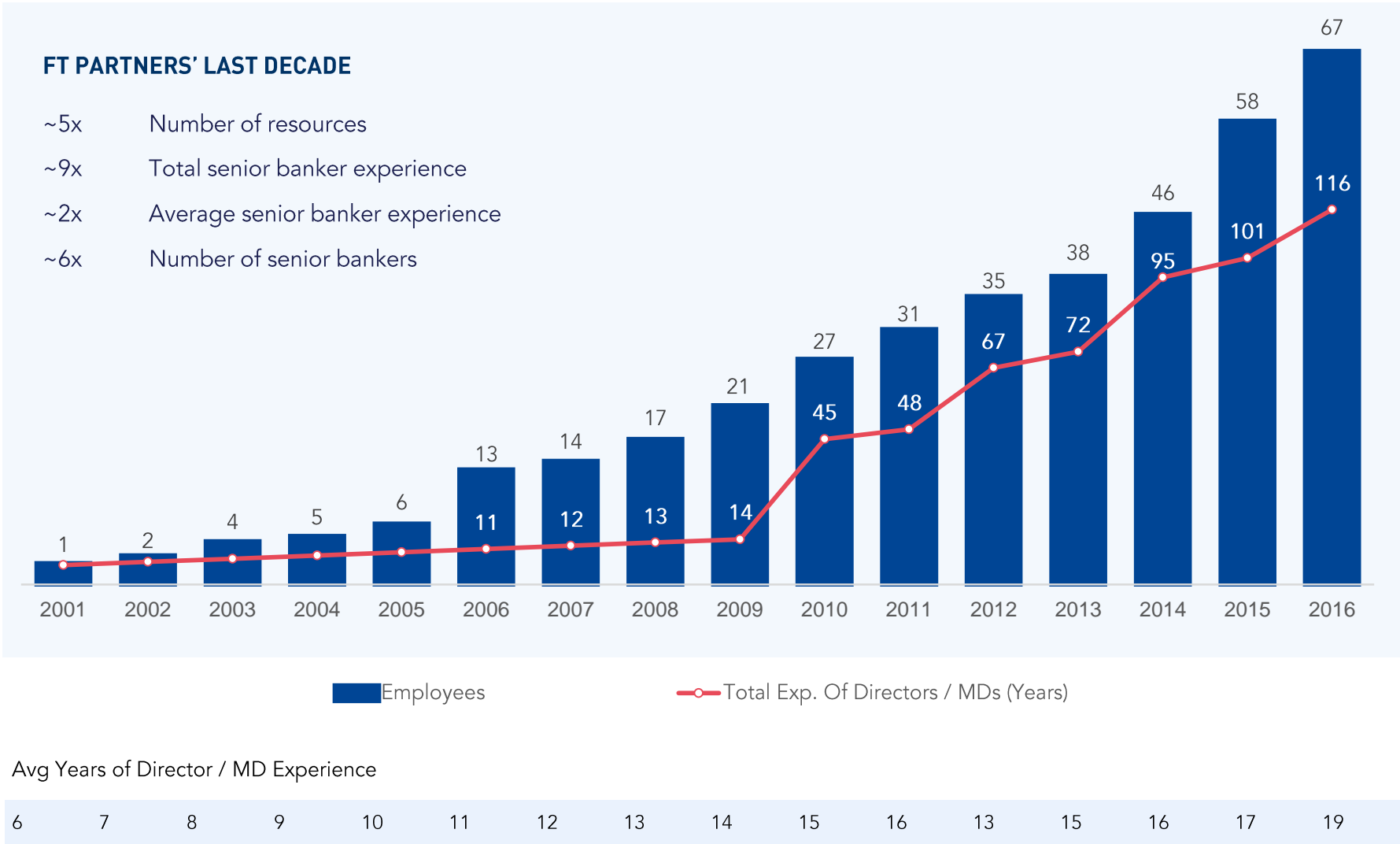


M&A Advisor Awards



2016	<ul style="list-style-type: none"> Investment Banking Firm of the Year Cross Border Deal of the Year
2015	<ul style="list-style-type: none"> Dealmaker of the Year Technology Deal of the Year
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 \$100mm
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
2015	<ul style="list-style-type: none"> Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
2006 - 2008	<ul style="list-style-type: none"> Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology
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>

Platform of Choice for Clients and Bankers Alike



The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, TSS, GPN, HPY DST, ENV, FISV, FIS, JKHY, WU & EEFT among others 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with J.P. Morgan and UBS Formerly Global Head of Strategy at First Data 	18
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	14
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10