VALORES CAPITAL PARTNERS

# Introductory Overview

September, 2015

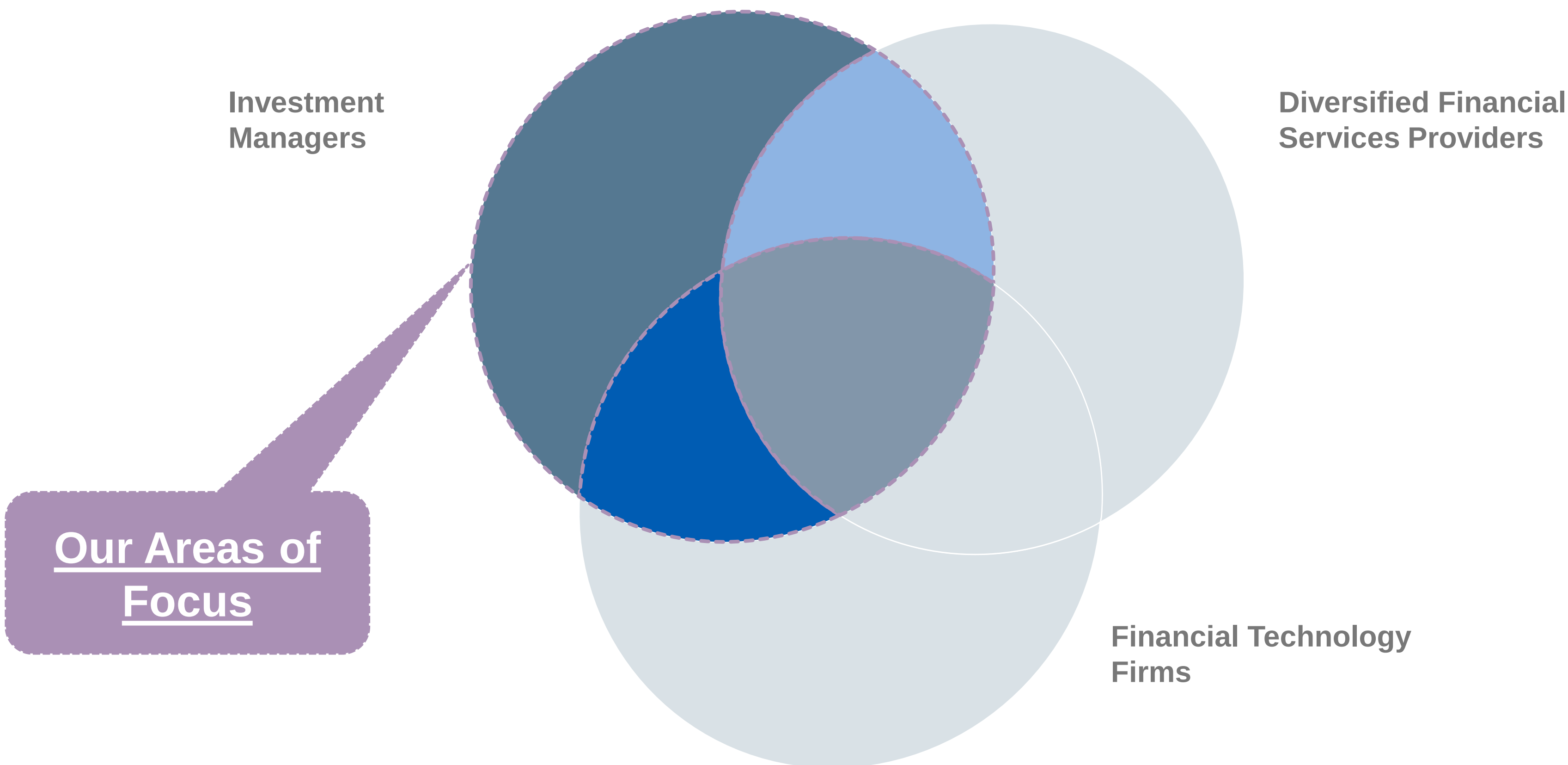
# Introduction to Valores Capital Partners LLC

# Overview

- Valores Capital Partners LLC ("Valores") is an advisory boutique focused on the financial services sector with highly specialized areas of expertise and coverage:
  - **<u>Core focus on the investment management sector globally (including both asset managers and service providers)</u>**
  - Coverage includes hedge funds, PE firms, traditional long-only managers, financial technology firms, administrators/custodians, broker-dealers and other non-depository/ non-insurance financial services providers
  - Also cover broader financial services (FIG) sector in India and developing Asia
- Offices in New York City and Mumbai
- Senior personnel have extensive experience in areas of focus:
  - Karamvir Gosal, Founder & Managing Member: *former senior banker in the Financial Institutions Groups at Jefferies, Credit Suisse and Putnam Lovell*
  - C.L. Handa, Managing Director: *former head of SBI Merchant Banking, the investment banking arm of State Bank of India, the largest bank in India and one of the largest in Asia*
  - Hal Strong, Senior Advisor: *former Vice-Chairman, COO and CFO at Russell Investments, a leading investment manager and index provider with over $230 bil in AUM, in excess of $4.1 trillion indexed to its benchmarks and 21 offices worldwide*
  - Phil Maisano, Senior Advisor: *former Vice-Chairman & CIO at Dreyfus and Chief Investment Strategist at BNY Mellon Asset Management, one of the largest investment managers globally, with over $1.4 trillion in AUM*
- We are a specialist firm with deep sector domain knowledge, an extensive network of relationships and strong execution capability

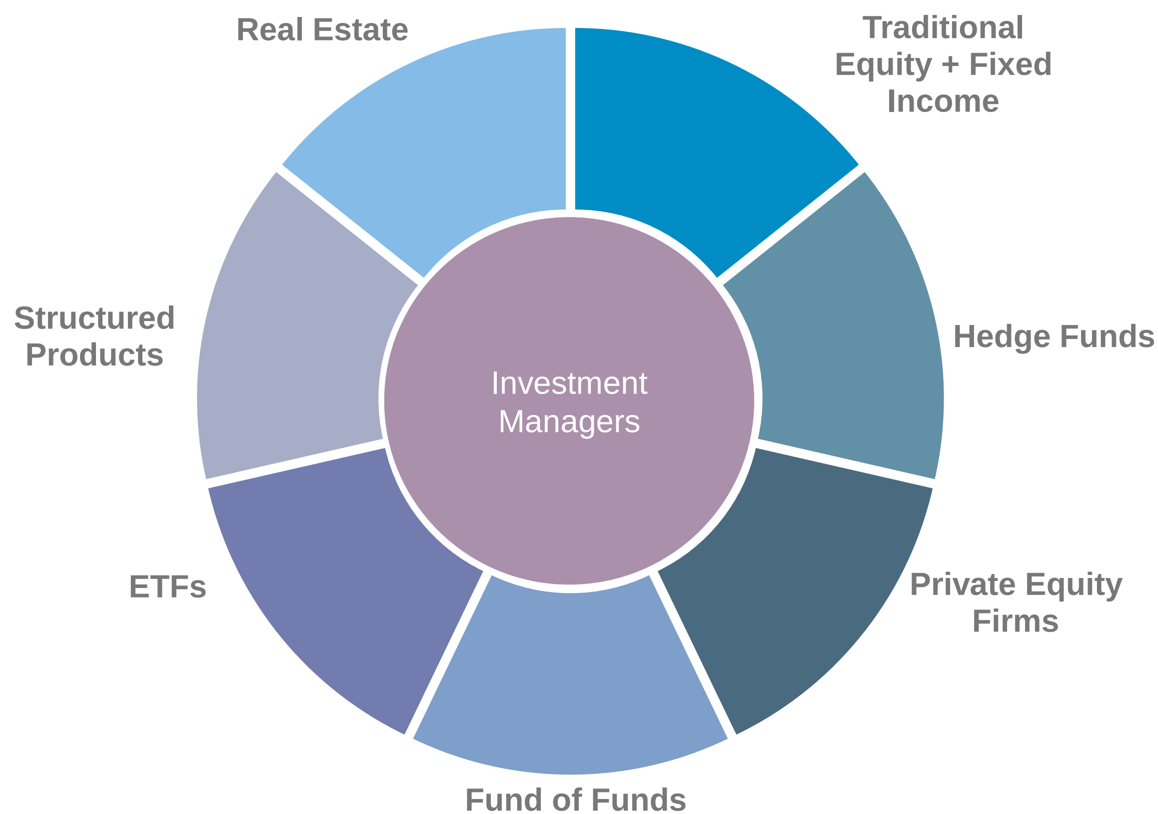
# Our Distinguishing attribute is our highly focused coverage universe

**We focus solely on managers and service providers to the investment management sector**



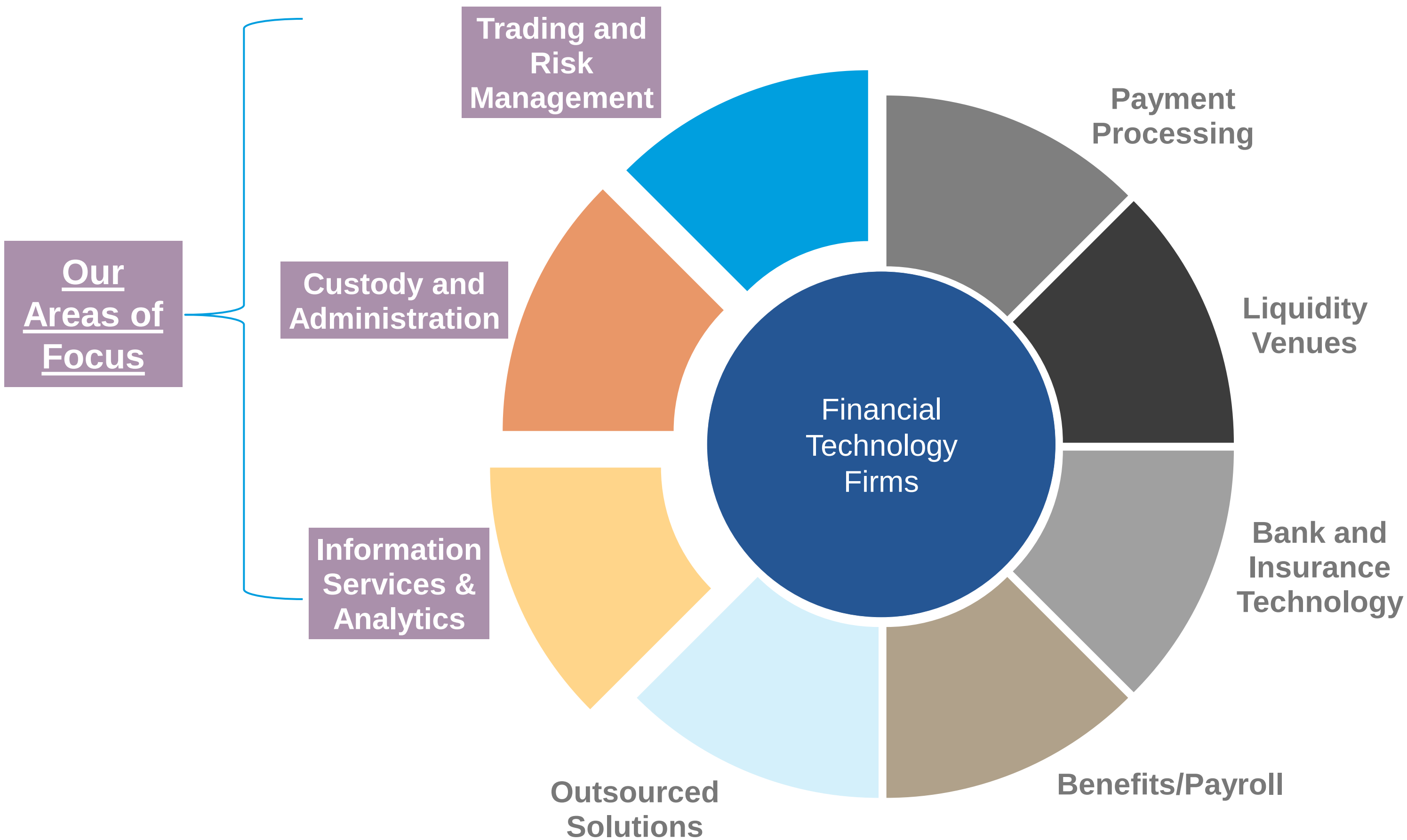
# Our Coverage Universe: Investment Managers

**We cover the entire investment management sector including hedge funds and have a particularly strong focus on the alternative sector**



# Our Coverage Universe: Financial Technology Firms

**Financial technology is a very broad sector. Most banks attempt to cover the entire spectrum resulting in a scattershot approach. Moreover, most financial technology bankers gravitate towards the larger deal size sub-sectors such as payment processing and liquidity venues. Our mantra is very simple – "we focus on financial technology firms that are integral to the daily operations of the investment management community"**



# Our Senior Personnel

**Karamvir Gosal**
*Founder &*
*Managing Member*

Karamvir Gosal is the founder and Managing Member of Valores Capital Partners LLC, a boutique advsiory firm focused on the financial services sector. Prior to founding Valores, Karamvir was a senior banker in the Financial Institutions Groups at Jefferies, Credit Suisse and Putnam Lovell. He was most recently a Managing Director at Jefferies, focused on originating and leading investment banking mandates in the asset management, broker-dealer and affiliated sectors such as financial technology, data/index providers, administrators, custodians etc. His client universe includes brokerages, wealth managers, traditional asset managers and alternatives players (including hedge funds, fund of hedge funds, real estate, primary and secondary private equity managers, CDO/CLO managers) both in North America as well as in international/global and emerging markets. In recent years, Karamvir has increasingly focused on and developed an expertise in Asian cross-border transaction activity. Karamvir also has a strong management consulting background in the investment management space (while a consultant at BARRA/Casey Quirk & Associates) and brings to bear strong sector knowledge and relationships built on both transaction advisory and management consulting experience.

Select examples of Investment Banking Transaction Experience

- Advised Concordia Advisors on its sale to Mariner Investment Group, an Orix Corporation affiliate
- Advised one of the largest emerging markets managers globally on the acquisition of a minority interest in one of the largest global ETF platforms
- Advised Religare Enterprises Limited on the acquisition of Landmark Partners, one of the largest global secondary private equity managers
- Advised Religare Enterprises Limited on the acquisition of Northgate Capital, a West coast based private equity and venture capital fund of funds
- Advised Vision Investment Management, Asia's largest fund of hedge funds platform based in Hong Kong, on its sale to EXOR, the listed Agnelli family holding vehicle
- Advised American Airlines on the sale of American Beacon, its asset management subsidiary, to TPG and Pharos Capital

# Our Senior Personnel

**Karamvir Gosal**
*Founder & Managing Member (contd.)*

Select examples of Investment Banking Transaction Experience (contd.)

- Financed KKR's $1.25 billion contingent convertible senior notes investment in Legg Mason
- Advised Credit Suisse on its acquisition of Asset Management Finance, an investment holding company focused on minority stake acquisitions
- Advised Aladdin Capital, one of the largest global structured products managers, on the sale of a minority stake to Mitsubishi
- Advised Bank of Ireland on its acquisition of a majority stake in Guggenheim Alternative Asset Management
- Advised Piper Jaffray on its acquisition of Fiduciary Asset Management
- Advised Deutsche Bank on the sale of certain regional offices of Scudder Private Investment Counsel to Legg Mason & Eaton Vance
- Advised Tremont Advisers, Inc., a publicly traded fund of hedge funds, on its sale to OppenheimerFunds, Inc.
- Advised Mackenzie Investment Management Inc., a publicly traded mutual fund company, on its sale to Waddell and Reed Financial, Inc.
- Advised Provident Mutual Life Insurance Company on the sale of its minority stake in the Sentinel Companies to National Life of Vermont
- Advised National Asset Management on its sale to Invesco Ltd.
- Advised Evaluation Associates Capital Markets, Inc., a fund of hedge funds, on its sale to Mellon Financial Corporation

**C.L. Handa**
*Managing Director*

Mr. Handa has extensive investment banking experience having served as a senior banker in the Indian financial services sector for over three decades. He was previously the head of SBI Merchant Banking based in New Delhi at State Bank of India, the largest bank in India and one of the largest in Asia. In that capacity, he led some of the marquee investment banking transactions of that period in India. While at SBI, he also held senior positions overseas, doing stints in Hong Kong and Philippines where he served as head of Southeast Asia. Post SBI, from 1993 – 2003, Mr. Handa was a senior member of Sobhagya Capital, one of the leading Indian boutique investment banks. He current also serves as Director of Bhartiya.

Mr. Handa has an extensive network of relationships in the financial services community in India and is based in Delhi and Mumbai.

# Our Senior Personnel

**Hal Strong**
*Senior Advisor*

Hal Strong is an Operating Executive with private equity firm, Genstar Capital. Hal is responsible for expanding Genstar's financial & business services practice, in particular in the areas of asset management, wealth management and financial technology.

Prior to joining Genstar, Hal was most recently Vice Chairman of Russell Investments, where he helped build Russell into a global investment company with over $150 billion in assets under management serving individual, institutional and advisor clients in more than 40 countries. During Hal's 18-year career at Russell, he also served as Russell's Chief Operating Officer, Chief Financial Officer, Head of Alternative Investments and Head of Investment Banking, having founded the latter two businesses at Russell.

Hal has nearly 30 years of experience in the asset management and investment banking industries, beginning his career in the investment banking division of Salomon Brothers in New York.

Hal is a graduate of UC Berkeley with a degree in German, and he received his MBA from the University of Washington. He is an active member of the theatre community as a trustee and member of the executive committee of Seattle Repertory Theatre.

**Phil Maisano**
*Senior Advisor*

Phil Maisano has over three decades of experience in the financial services sector. He served as Chief Investment Strategist at BNY Mellon Asset Management, one of the world's largest investment managers with $1.3 trillion in assets under management. Phil also served as Vice Chairman and CIO at Dreyfus from 2006 – 2011.

Prior to that, Phil was Chairman and CEO at EACM Advisors, one of the leading global fund of hedge fund managers and CEO and President at Evaluation Associates, one of the largest institutional investment consultants in the US. Phil is currently a Senior Advisor to Standard Life Investments and Van Eck Global.

# Our Clients

- Valores has a strong network of global client relationships with diversified financial services organizations, public and private independent pure-play money managers, hedge fund managers, PE firms, real estate and structured products providers, brokerages, financial technology firms, banks, insurers and other financial services entities
- Sample past clients include:

Schroders, Brookfield, Nationwide, Concordia, Credit Suisse, Bank of Ireland, Deutsche Bank, Religare (Values that bind), Vision Investment Management, OppenheimerFunds, EACM Advisors, KKR, American Beacon, Aladdin Capital Holdings LLC, Prudential, MassMutual Financial Group, Mackenzie Investments, PiperJaffray, ICICI Bank, Shriram Group (Empowering People Through Prosperity), IndusInd Bank, Bank of India (Relationship beyond banking), स्टेट बैंक ऑफ बीकानेर एण्ड जयपुर / State Bank of Bikaner & Jaipur, IFCI Limited

Note: Sample clients include clients of principals at prior organizations

# Our Services

**M&A Advisory**

- Extensive experience advising clients in both buy-side and sell-side situations
- We have worked on behalf of both independent entities and large diversified financial institutions; both private as well as public firms
- Transactions have involved both minority as well as majority stakes
- Our experience and broad network of relationships enable us to effectively address the unique needs of our clients by proposing creative, bespoke solutions – we pride ourselves on our transaction structuring and execution prowess

**Capital Raising**

- As a result of our broad network of relationships within the financial services sector and our focused sector expertise, we are uniquely positioned to assist FIG clients raise capital at the operating firm or management company level
- We occasionally get involved in product/seed capital situations but those are typically in the context of a simultaneous equity stake transfer by the client or other equivalent economic exchange

**Strategic Advisory**

- Apart from banking, we also bring to bear management consulting experience in our field of expertise
- We selectively take on strategic advisory assignments where we work closely with clients in:
  - Evaluating high level strategic issues pertaining to business plan development, long-term vision and business objectives, competitive positioning, market entry and growth strategies, succession planning, optimal employee incentive programs etc
  - Developing and supporting inorganic growth initiatives for both strategic as well as financial sponsors
- The advisory mandates are typically only undertaken in the context of a broader relationship with an existing or potential client

# How we work with clients…

**Specific Investment Banking Mandate**

- Highly targeted assignments with a specific execution objective
- Represents the majority of the work we do
- Typically “success fee” based with some modest retainers
- Illustrative Hypothetical Examples:
  - Alternative investment manager hires us to sell a minority/majority stake in the firm to a strategic partner in order to get access to a broader distribution network
  - Asian diversified financial services organization hires us to acquire a US based specialty fixed income manager

**Retained Strategic Advisory**

- Broader engagement whereby Valores acts as a strategic advisor to client on an ongoing retained basis
- Valores takes on these assignments on a very limited basis for both potential conflict as well as resource allocation reasons
- Typically a flat fee economic arrangement unless engagement evolves to specific transaction scenarios
- Illustrative Hypothetical Examples:
  - Strategic acquirer hires Valores to identify and screen potential acquisition targets and/or refine acquisition strategy
  - Financial sponsor hires Valores to serve as sector specialist and/or incremental resource to internal team in implementing an acquisition strategy in a new sector or geography

# What's in a name?

- **Valores** *(Latin)*: "values", "principles", "a fundamental belief or tenet"
- We are a different kind of firm. We don't pay lip service to clever or catchy marketing slogans. We aspire to and intend to run our business guided by a set of core tenets. We are inspired by them, we believe, perhaps quixotically, they are fundamentally the "right thing to do", we expect it of ourselves, our employees and partners; we know our clients expect it of us.
  - EXCELLENCE
  - INTEGRITY
  - CREATIVITY
  - DISCIPLINE
  - FOCUS
  - ALIGNMENT
  - INSIGHT
  - INTENSITY
  - PERFORMANCE

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