

LIGHT SHED ON WEALTH, INVESTMENT-FIRM VALUATIONS

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Echelon Partners has released the year-end 2007 edition of its *Seivert Report*, a quarterly valuation report covering ten different sectors of investment product developers, distributors and service providers. The investment-banking and consulting firm used fourteen valuation metrics and fourteen financial metrics to profile 177 companies representing \$10.6 trillion in enterprise value, \$3.4 trillion in equity value, and \$1.7 trillion in annual revenue.

Echelon figures it's the first outfit to provide of valuation metrics for private companies in the investment-management areas covered in the *Seivert Report* -- a sub-segment it says accounts for nearly a quarter of the financial services industry.

Leaders and laggards

"Executives have long wanted uniform benchmarks to accurately value companies in this sub-sector, and thus far have come up empty-handed," says Echelon's CEO and managing director **Dan Seivert**. "We wanted to target that void."

Echelon's "Investment Brokerage-National" sector had the highest total market value -- over \$1.005 trillion -- of the ten sectors, narrowly edging "Foreign Money Center Banks" for the second consecutive year. The "Investment Brokerage-Regional" sector meanwhile surged past "Exchanges/Trading Systems" to post the highest median revenue growth rate (22.0%) for 2007. The "Investment Processing Solutions" sector posted the lowest median revenue growth rate at 3.3%, down from 7.5% for 2006.

The "Exchanges/Trading Systems" sector emerged with the highest estimated long-term growth rate at 18.6%, while "Regional and Trust Banks" project as the lowest at 8.7%.

Overall the most consistent sectors were "Foreign Money Center Banks" and "Investment Managers," judging from the number of appearances on Echelon's Sector Leader Board. The least impressive sectors -- based on the number of appearances on the Sector Laggards Board -- were "Insurance Companies in Investments" and "Alternative Investment Managers." You can get a copy of the *Seivert Report* [here](#).

Los Angeles-based Echelon, formerly 3C Partners, was founded in 2001 to provide investment-banking and consulting services to the investment- and wealth-management industries.

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ABOUT ECHELON PARTNERS

ECHELON Partners (ECHELON) was formed in 2001 to offer investment banking and consulting to a subset of the financial services industry known as "investment product developers and distributors" (IPDADs). Since that time, ECHELON's professionals have helped hundreds of senior executives envision, initiate, and execute a multitude of complex business strategies and transactions. ECHELON's business is making companies more valuable through delivering advice and orchestrating transactions. Accordingly, ECHELON measures its success in the enterprise value it creates for its clients. Companies that strive to outperform their peers choose to work with ECHELON because we are as passionate about their results as they are.

Daniel Seivert

Managing Director

dseivert@echelon-group.com