

## The PFM Group Completes Recapitalization of the Firm, Returning Full Firm Ownership to PFM's Managing Directors

**Deal Value: Undisclosed**

**Sandler O'Neill served as financial advisor to The PFM Group with respect to management's purchase of equity from outside shareholders. Sandler O'Neill also served as sole placement agent with respect to the funding of this transaction. Overall, this represents Sandler O'Neill's 182<sup>nd</sup> financial services transaction since January 1, 2011, more than any other investment bank during that time period.<sup>(1)</sup>**

PHILADELPHIA — The Managing Directors of the PFM Group ("PFM") have announced the closing of a new capital structure resulting in PFM's Managing Directors owning all of the equity of the PFM Group. PFM's 85 partners unanimously approved the transaction that will enhance PFM's revenue growth and expansion of services to clients. The PFM Group of companies provides municipal advisory and investment management services, best practices management and budget consulting, and consulting services to pension funds and similar institutional investors. As of March 31, 2014, PFM Asset Management LLC had \$49.9 billion in assets under management for state and local governments and non-profit institutions and provided non-discretionary advice for an additional \$40.7 billion.

"We are very pleased to be able to continue PFM's tradition of independence, integrity, and unfailing dedication to our clients," said PFM Managing Director and CEO John Bonow. "Finalizing this enhanced capital structure enables us to remain intensely focused on adding value for each client, investing in additional industry-leading technologies and training resources, and continuing to attract and retain the most outstanding financial and investment professionals."

"With the advent of additional federal regulations designed to bring better discipline and protections to the municipal and non-profit marketplace, we are proud to be the nation's leading independent financial advisory firm serving local governments and non-profits," he continued. "In addition, PFM Asset Management LLC, as a leading investment manager, is also known for providing clients with highly ethical advice free of conflicts. At PFM, we are focused on excellent client service, supporting the best advisory talent and resources in the industry, and developing suitable and sustainable solutions to our clients' challenges," Bonow added.

"All of our colleagues at PFM are enthusiastic about beginning this new chapter in the PFM Group's distinguished history," noted Chief Investment Officer and Managing Director Marty Margolis. "We are excited about maintaining our great tradition of delivering the value-added services to our clients that support their goals and help them raise, manage and invest the funds necessary to serve their constituents," he concluded. Mr. Margolis also noted that there will be no changes in the firm's management, staffing, or any aspect of client service as a result of the capital transaction.

PFM currently employs more than 500 professionals serving a broad base of clients from offices located in every region of the U.S.

(1) Source: SNL Financial. Includes financial services transactions in all geographies since January 1, 2011; excludes terminated transactions or self-advisory roles

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