

AltX, Inc. (Private; San Francisco, CA) has agreed to merge with Addepar, Inc. (Private; Mountain View, CA)

Deal Value: Undisclosed

Sandler O'Neill served as financial advisor to AltX, Inc. in this transaction. This represents Sandler O'Neill's 162nd financial services transaction since January 1, 2015, more than any other investment bank during that time.¹

MOUNTAIN VIEW, Calif., May 17, 2017 — Addepar, the operating system for our financial world, today announced its acquisition of AltX, an intelligence platform for the alternative investments market. The acquisition deepens Addepar's capabilities in alternative investments — which comprise \$120 billion of the \$600+ billion of assets on Addepar's platform today. With AltX, Addepar advances its mission to empower wealth advisors and asset owners to make more informed, data-driven investment decisions.

Alternative investments, including hedge funds, private equity, venture capital and real estate, have exploded in popularity, growing from \$2.5 trillion in 2004 to a projected \$13.6 trillion by 2020. Despite this growth, wealth advisors have struggled to provide an adequate level of information on performance, risk and liquidity to their clients.

AltX's machine learning technology enriches the data that describes alternative investments, and incorporates related reference data, public filings and news. Using advanced data science techniques and proprietary algorithms, the technology identifies and normalizes both structured and unstructured data that correspond to each alternative investment, and uses the smart matching engine to associate it with a rich content database. This database consists of performance, holdings and key reference data for more than 17,000 funds. Given this unprecedented level of transparency and context, advisors can make smarter, more informed investment decisions in the alternatives market in a way that aligns with their clients' goals and objectives.

"Addepar gives wealth advisors the technology, data and services they need to deliver tailored and comprehensive solutions to each of their clients," said Eric Poirier, CEO of Addepar. "AltX's team has built awesome technology for alternatives, and it perfectly complements Addepar's solutions for family offices, RIAs, private banks, wirehouses and large allocators. This acquisition means that we offer more transparency into the alternatives portion of investment portfolios. It propels Addepar forward in building a unified data model and common language to power the financial system."

"Addepar and AltX share a commitment to giving investors ultimate transparency into their alternative investment portfolio," said Sam Hocking, founder and CEO of AltX. "We're eager to invent the future with Addepar's incredibly talented team, with the next step of giving our clients — some of the world's leading asset managers, asset allocators and banks — the most comprehensive solution in this huge and historically opaque asset class."

This acquisition follows several Addepar milestones that clearly demonstrate its progress in building a new category of technology for investors and advisors. In January 2017, Addepar announced its partnership with Morgan Stanley's Private Wealth Management. Last fall, Addepar surpassed \$500 billion in assets on the platform and launched the Addepar Open API, and has added numerous integration partners to its roster, including Salesforce Financial Services Cloud, FolioDynamix, iCapital Network and Citco Fund Services. This adds to existing integrations with RedBlack Software, Blaze Portfolio, Quovo, Morningstar and BaySys Technologies. These partners utilize Addepar's data and calculations, and offer mutual clients a streamlined, seamless and secure experience.

Addepar and its clients will benefit from AltX's proprietary technology and differentiated data almost immediately. In addition, AltX's engineering and data science teams will join the company full time, and its executive team will oversee the AltX business and client transition.

¹) Includes all geographies; Includes minority transactions; Excludes terminated transactions and self-advisory roles
Source: SNL Financial; Company press release

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