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ENVESTNET

The Power of Integration

Frequently Asked Questions

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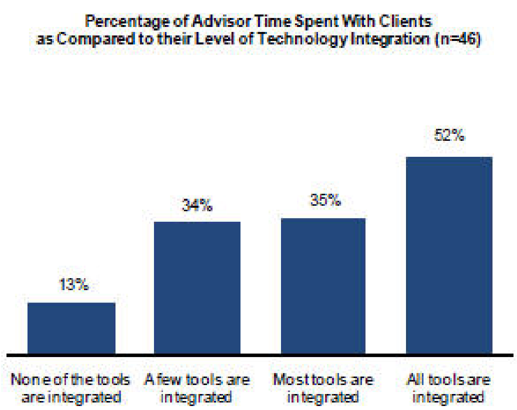
Q: Are there significant benefits to advisory firms that fully integrate their technology environment?

*A: **Yes**. Studies indicate that advisory firms that are supported by a fully integrated technology environment spend the majority of their time (52%) with clients – about 50% more time than the average advisor.*

FIGURE 6: TECHNOLOGY INTEGRATION IMPACTS TIME AVAILABLE FOR CLIENTS



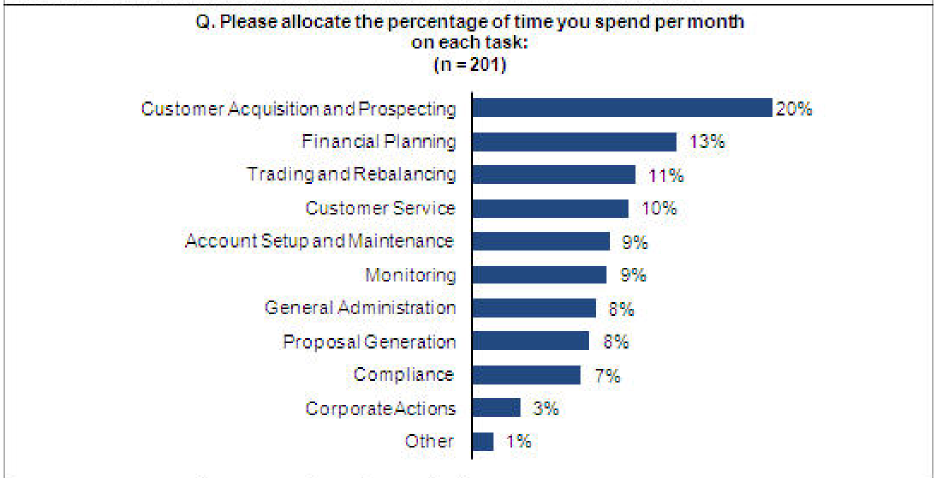
Source: Aite Group's survey of 78 registered investment advisors, June 2007

The more time that advisors are able to spend on building or maintaining their book of business, the more likely they are to grow their advisory practice.

Q: How can integrated technology ease the administrative burdens experienced at advisory firms?

A: The graph below illustrates the percentage of time an advisor spends per month on each task and highlights the fact that advisors spend approximately the same amount of time prospecting for new clients as they do on various administrative tasks.

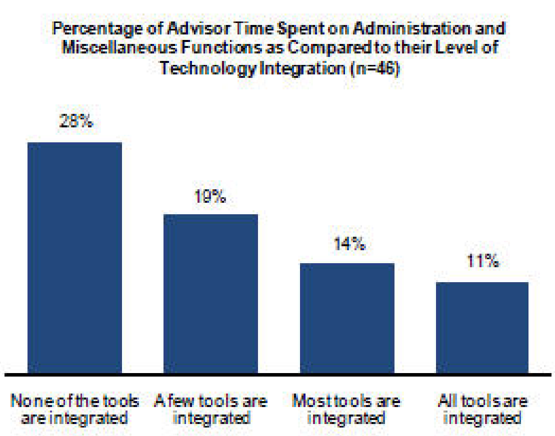
FIGURE 1: CLIENT ACQUISITION AND PROSPECTING DOMINATE AN ADVISOR'S DAY



Source: Aite Group's survey of 201 financial advisors, summer 2008

However, as illustrated below, advisors can significantly reduce their administrative burdens through integrated technology. In fact, advisory firms that are fully integrated only spend 11% of their time on administrative tasks versus 28% of the time spent by advisory firms that do not integrate technology.

FIGURE 7: TECHNOLOGY INTEGRATION IMPACTS TIME SPENT ON ADMINISTRATION

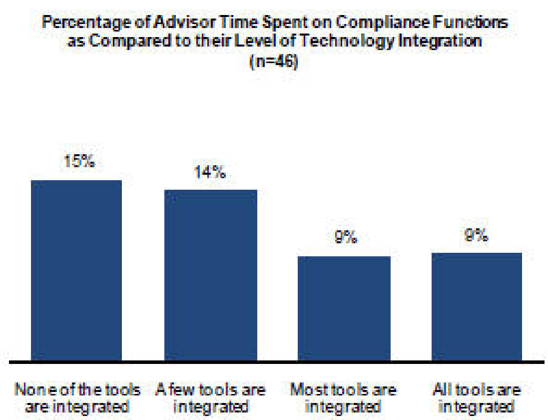


Source: Aite Group's survey of 78 registered investment advisors, June 2007

Q: Can integrated technology also ease compliance functions experienced at advisory firms?

*A: **Yes**. As illustrated in the graph below, advisory firms with a fully integrated technology environment have reduced the time spent on compliance functions to 9% versus the 15% spent by firms that do not integrate their technology environment.*

FIGURE 8: TECHNOLOGY INTEGRATION IMPACTS TIME SPENT ON COMPLIANCE FUNCTIONS

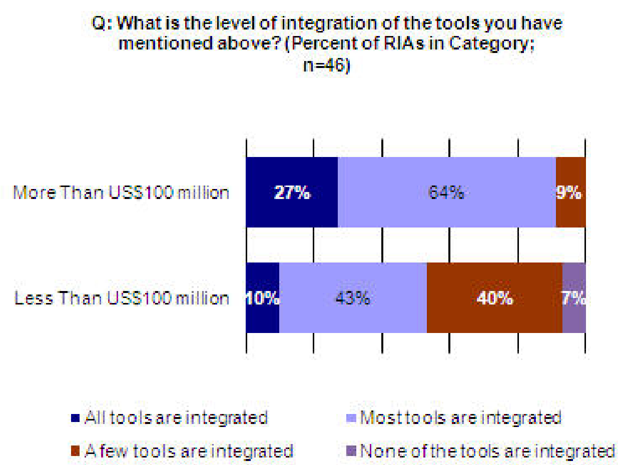


Source: Aite Group's survey of 78 registered investment advisors, June 2007

Q: Can a fully integrated technology environment help increase the assets in an advisor's book of business?

*A: **Possibly.** The graph below illustrates that 91% of advisory firms with more than $100 million in assets are mostly or fully integrated. However, almost half (47%) of smaller advisory firms with less than $100 million in assets are only partially integrated or are not integrated at all.*

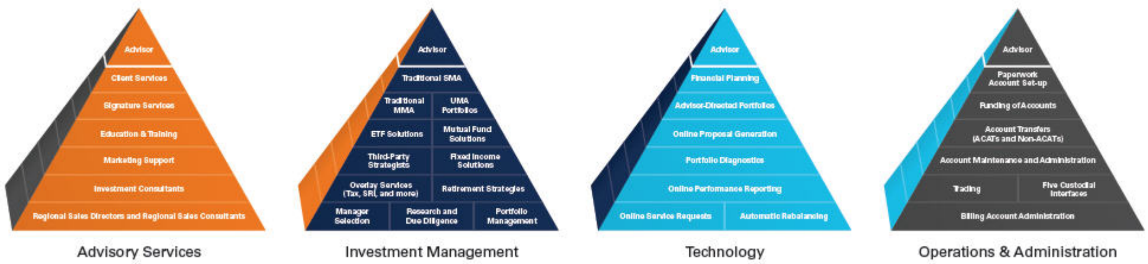
FIGURE 4: CURRENT LEVELS OF TECHNOLOGY INTEGRATION AT RIA FIRMS



Source: Aite Group's survey of 78 registered investment advisors, summer 2007

Q: How can Envestnet help advisory firms increase their operational efficiency?

A: Envestnet's tightly integrated technology platform has been structured much like that of a pyramid which involves unity and support. Its strength lies in the perfect alignment and integration of all of its components whereas each stone supports all the other stones.



Each of the 4 sides, illustrated above, represents the building blocks by which we help advisors strengthen their investment advisory business. Through Advisory Services, Investment Management, Technology and Operations and Administration, Envestnet is able to bolster the distinctive services and expertise that financial advisors have to offer their clients while using the power of integration to create depth to their services as well as efficiencies that can make their jobs measurably easier.

Q: What functional modules can Envestnet offer to help advisory firms integrate their advisory practice?

A: Envestnet offers a wide range of tools and support that include: proposal generation, portfolio rebalancing, performance calculation and reporting, and practice management resources. Advisors can also manage fee-based assets in a variety of ways, including advisor-directed portfolio models, separately managed accounts and unified managed accounts. Envestnet also offers the option to use multiple custodians with data consolidation and reconciliation handled by Envestnet.

Q: What type of service support can advisory firms leverage should they align their business with Envestnet?

A: Envestnet offers full service consulting for each advisory firm's unique business and investment solution needs. Envestnet can help advisors: build custom conversion plans tailored to the advisory firm's business timeline; offer support to ensure seamless access for all client accounts; assist in building customized aggregated reports that can combine commission-based Mutual Fund Direct assets with fee-based assets; access overlay management, due diligence and investment research through PMC, the investment consultancy of Envestnet; and maximize the opportunities presented in transition – mapping the advisory firm's strategies into new and existing strategies on the platform.

In addition, Envestnet's service request system provides an intuitive, tractable and efficient way of monitoring service requests. Request types can include: Raise cash, *Set-up Withdrawals, Invest Contributions, Change SIS, Harvest Gains or Losses, Terminate: Liquidate or Hold and much more.*

There are also 8 regional advisory services teams that are equipped to help advisory firms on a daily basis from proposal generation to meeting with clients.