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Brokers & Asset Managers
North America | United States

WisdomTree Investments Inc (WETF)

Asymmetric AUM Angst And Other Anxieties

- **Not Time To Capitulate** — With the stock down 40%+ YTD, we are fielding questions from investors on whether it is time to either close out the Sell or possibly even begin to go long the stock. While such calls presuppose the stock started the year at the right price point, a quick look at the fundamentals, relative valuation, and respective catalysts suggests further downside pressure is likely, in our view.
- **Several Factors Keep Us Cautious** — Weekly volume dynamics remain disappointing into May, led by further attrition in DXJ while other segments are also experiencing mixed flow metrics. Despite over \$700M YTD net outflows, DXJ still accounts for ~32% of 5/9 AUM, keeping alive asymmetric risks.
- **Valuation Still Seems Stretched** — Favorably, 2014-16 consensus EPS estimates have reset lower to reflect GAAP accrual impact - see also our 5/2, [1Q14 Initial Look – Expense Flex Drives Beat Though Lead Indicators Remain Mixed; And Tax Optics May Hurt](#); and 5/5 reports, [Off The \(1Q14\) Call – Growth Expectations Still Seem Heavy](#). However, at ~39x tax affected 2014 EPS and 31x 2015 EPS, the risk/reward still seems tilted toward risk, particularly as DXJ attrition remains palpable and our recent math suggests DXJ may approximate 50% of EPS.
- **Relative Value Still Seems At Risk** — As we believe investors continue to assign high P/E multiples toward incremental growth stories. Yet, we believe other franchises, such as AMG, IVZ and WDR offer favorable growth optionality, but at sharply lower multiples, with most of these franchises expected to generate comparable EPS growth over the next few years.
- **If You Want Concentration Risk** — We believe Buy-rated BEN screens far more tenable. Here, we see the multiple differential of nearly 20x as unwarranted given April volume trends actually better for BEN than WETF.

Sell	3
Price (13 May 14)	US\$10.41
Target price	US\$9.50
Expected share price return	-8.7%
Expected dividend yield	0.0%
Expected total return	-8.7%
Market Cap	US\$1,387M

Price Performance
(RIC: WETF.O, BB: WETF US)



EPS	Q1	Q2	Q3	Q4	FY	FC Cons
2013A	0.06A	0.09A	0.11A	0.12A	0.37A	0.37A
2014E	0.12A	0.07E	0.07E	0.07E	0.32E	0.42E
Previous	0.12A	0.07E	0.07E	0.07E	0.32E	na
2015E	na	na	na	na	0.34E	0.54E
Previous	na	na	na	na	0.34E	na
2016E	na	na	na	na	0.43E	0.62E
Previous	na	na	na	na	0.43E	na

Source: Company Reports and dataCentral, Citi Research. FC Cons: First Call Consensus.

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See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Fiscal year end 31-Dec	2012	2013	2014E	2015E	2016E
Valuation Ratios					
P/E (x)	91.8	28.3	32.7	31.1	24.0
P/BV (x)	28.2	13.4	8.8	7.4	5.8
P/TBV (x)	28.2	13.4	8.8	7.4	5.8
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Per Share Data (US\$)					
EPS adjusted	0.11	0.37	0.32	0.34	0.43
Book value per share (BV)	0.37	0.78	1.19	1.40	1.78
Tangible book value per share	0.37	0.78	1.19	1.40	1.78
Dividend per share	0.00	0.00	0.00	0.00	0.00
Profit & Loss (US\$m)					
Net interest income	0	0	0	0	0
Fees and commissions	84	149	176	205	248
Non-recurring fee revenue	na	na	na	na	na
Total revenue	85	149	177	207	250
Total operating expenses	-74	-98	-111	-122	-138
Non-recurring expenses	na	na	na	na	na
FTE adjustment	na	na	na	na	na
Pre-tax preprovision profits	11	52	66	85	112
Loan loss provision	0	0	0	0	0
Pre-tax profit	11	52	66	85	112
Tax	0	0	-9	-39	-52
Extraord./Min. Int./Pref. Div.	5	0	-13	1	1
Attributable profit	16	52	44	47	62
Growth Rates (%)					
EPS adjusted	294.0	224.6	-13.6	5.3	29.4
Pre-tax preprovision profits	262.6	367.2	29.0	28.1	31.7
Avg. loan growth	na	na	na	na	na
Balance Sheet (US\$m)					
Total assets	63	142	188	221	282
Avg interest earning assets	0	0	0	0	0
Customer loans	0	0	0	0	0
Gross NPLs	0	0	0	0	0
Liab. & shar. funds	63	142	188	221	282
Total customer deposits	0	0	0	0	0
Reserve for loan losses	0	0	0	0	0
Shareholders' equity	51	109	165	197	255
Profitability/Solvency Ratios (%)					
Return on equity	40.7	64.4	32.3	26.1	27.4
Return on tangible equity	na	na	na	na	na
Net interest margin	na	na	na	na	na
Fee income / Revenues	100.0	100.0	100.0	100.0	100.0
Efficiency ratio	87.8	65.9	62.9	59.3	55.5
Net charge off ratio	na	na	na	na	na
Reserve for loan losses / NPLs	na	na	na	na	na
Loan loss provision / Loans	na	na	na	na	na
Loan to deposit ratio (LDR)	na	na	na	na	na
Tier 1 common ratio (Basel 1)	na	na	na	na	na
Tier 1 common ratio (Basel 3)	na	na	na	na	na
Tangible equity / Assets ratio	80.5	76.9	87.8	89.0	90.4

Asymmetric AUM Angst And Other Anxieties

Investment Summary

We affirm our non-consensus Sell rating and \$9.50 12-month price target, which also remains sharply below the mean ~\$14 for the "Street". Given the stock is down 40%+ YTD, we have been fielding calls from investors on: 1) is it time to close out the Sell?; and, 2) by contrast, is it time to get long the stock?

Careful not to overstay our "welcome", a quick review of flow dynamics and relative valuation signal further downside risks, we believe. No question, we remain constructive on further ETF growth, however, the flow story remains mixed and despite the stock price decline, multiples still look extended, particularly as other franchises offer similar robust growth optionality.

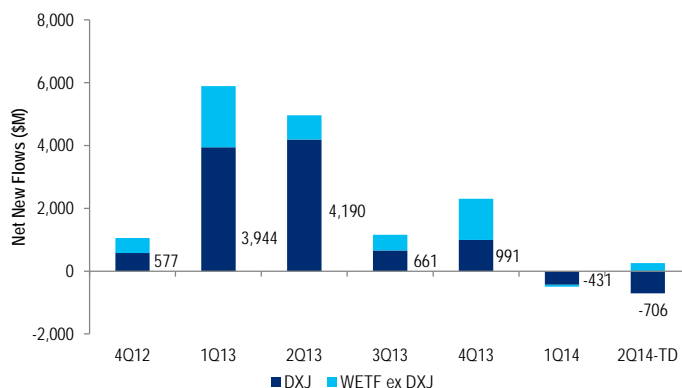
In reviewing the fundamentals, we note: 1) flows remain negative into May based on weekly disclosures; 2) underlying volume dynamics by segment also remain checkered, and WETF faces a few more months of particularly difficult flow comps; and, 3) despite heightened attrition YTD, DXJ (the key growth driver in 2013) still accounts for over 30% of AUM, keeping alive asymmetric AUM angst, we believe.

A Fresh Look At Flows

Given the stepped up discussion, we took a fresh look at volume dynamics to ensure we are not missing a more favorable inflection. Our analysis suggests:

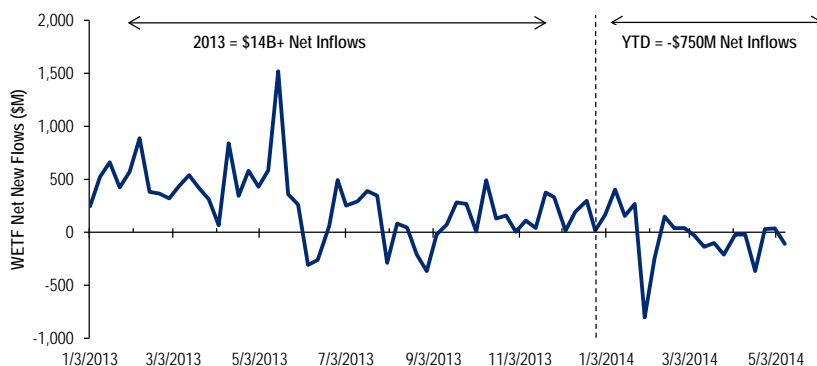
1. **Based on weekly disclosures, YTD volumes remain negative, with further attrition into May (Figure 1);**
2. **The attrition is led by an acceleration in DXJ outflows**, with mixed net flow dynamics across key segments as well;
3. **Following booming flows last year paced by DXJ, WETF faces tough comparisons versus a year ago.** Favorably, the comps get easier into 2H14, but 2013 remains a high bar for comparisons, in our view (Figures 2-3).
4. **DXJ still accounts for 32% of 5/9 AUM (Figure 4), keeping alive concentration concerns.** On the one hand, an upturn in DXJ flows may help the stock as was the case for the bulk of late 2012 and 1H13 as such growth may telescope such asymmetry. On the other hand, any further wind-down in DXJ AUM may only elevate investor anxiety around EPS risks. Here, we recently estimated DXJ accounts for approximately 50% of earnings.

Figure 1. DXJ Remains In Outflow Mode 2QTD...



Source: Company reports, Citi Research

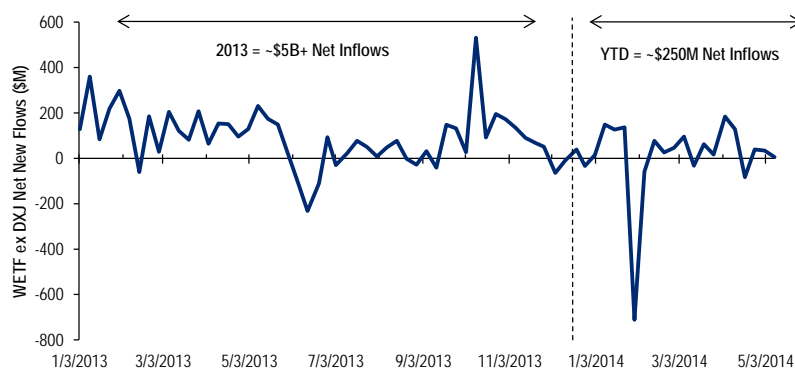
Figure 2. ...Versus Robust Inflows In 2013, Which Drove Overall Volumes...



Note: Data reflects weekly volumes 2013-2014TD.

Source: Company reports, Citi Research

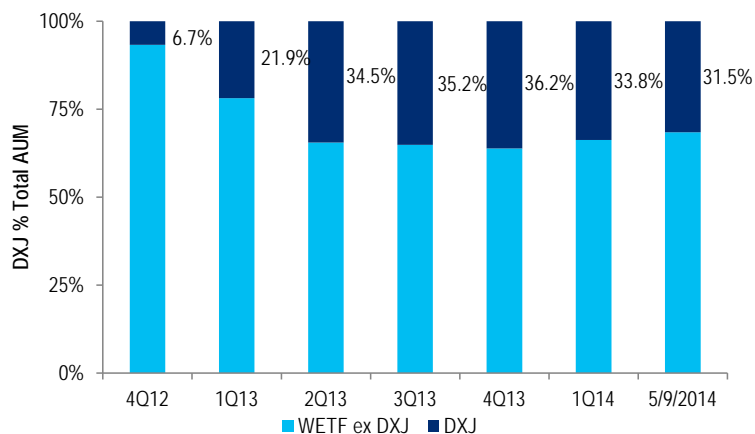
Figure 3. ...As WETF's Comps Are Tough Versus A Year Ago...



Note: Data reflects weekly volumes 2013-2014TD.

Source: Company reports, Citi Research

Figure 4. ...While DXJ Still Accounts For 32% Of 5/9 AUM



Source: Company reports, Citi Research

Valuing The "Option Root"

In Figure 5, we array WETF versus select peers, which also seemingly offer strong growth and/or margin and/or capital management optionality. In turn, based on our forecasts, this subset also seems to offer comparable EPS growth over the next few years, but collectively trades at sharply lower valuations. The analysis reinforces our worries that investors still seem overly optimistic on implied growth for WETF, perhaps clouded by strong growth in DXJ exiting 2012 and through 1H13.

Figure 5. We See Peers Offering Similar "Option Roots" At Sharply Lower Valuations

Company:	Option Roots:	P/E Multiples		EV/EBITDA		2014E/2013	EPS Growth	
		2014	2015	2014	2015	Incremental Margins	15/14	16/15
AMG	•U.S. retail •Global distribution •\$1B incremental capital deployment	16.0x	13.8x	12.6x	10.6x	N/A	16.3%	11.4%
IVZ	•U.S. retail •European penetration •U.K. stabilization •Stepped up capital deployment	14.7x	11.7x	10.9x	8.7x	59.0%	25.1%	17.8%
WDR	•Further U.S. retail traction •Institutional re-acceleration •Non-U.S. sub-advisory	17.0x	14.0x	9.8x	8.1x	46.1%	21.4%	18.6%
WETF	•New product seasoning •Global distribution •U.K./European footprint build-out	32.7x	31.1x	25.6x	16.0x	54.1%	24.1%	29.4%

Note: We tax effect 1Q14 for WETF to adjust for tax adjustment in reporting.

Source: FactSet, Company reports, Citi Research

In Figure 6, we contrast WETF with BEN, the latter also facing AUM concentration risks given strong growth in the Global Bond segment (notably TPINX). Yet, when overlaying flow and margin dynamics and relative valuations, BEN screens more conservatively, we believe.

Figure 6. We Favor BEN Among Names With High Concentration Risk

	Flagship Concentration	C1Q14		Organic Growth ex Flagship			P/E Multiples		EV/EBITDA	
		Margins (As Reported)	Margins (As Adjusted)	C2013	C1Q14	April	2014E	2015E	2014E	2015E
BEN'	25.1%	37.5%	37.5%	0.3%	0.9%	9.7%	14.9x	13.4x	8.2x	7.4x
WETF	31.5%	38.4%	40.3%	26.6%	-1.2%	9.2%	32.7x	31.1x	25.6x	16.0x

Note: For BEN, we use Global Bond AUM bucket and for WETF we use DXJ. We adjust WETF's margin for acquisition related expenses.

Source: FactSet, Company reports, Citi Research

To sum up: yes, the stock has pulled in. However, the flow story remains uninspiring, longer dated volume drivers will need to season, while there seem to be plenty of other names in the space that offer better/more balanced growth and risk/rewards, we believe. As such, we see no reason to run for cover.

Figure 7. WisdomTree Investments Summary Model

WisdomTree Investments, Inc.
Earnings Results and Forecasts
(\$ Millions, Except As Noted)

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KEY FORECAST VARIABLES:	1Q13	2Q13	3Q13	4Q13	1Q14	Forecast:			2013	Forecast:			% Change				
						2Q14E	3Q14E	4Q14E		2014E	2015E	2016E	2QE/1Q	2QE/2Q	14E/13	15E/14E	16E/15E
Revenues:																	
Advisory fees	29.2	37.1	39.4	42.9	42.6	43.0	44.3	45.9	148.6	175.8	205.3	248.1	0.9	15.8	18.3	16.8	20.9
Total revenue	29.3	37.3	39.6	43.2	42.9	43.3	44.6	46.3	149.5	177.1	206.8	249.8	0.9	16.0	18.5	16.8	20.8
Expenses:																	
Compensation and benefits	7.5	9.4	9.6	9.6	9.4	9.6	9.8	10.1	36.2	38.9	42.8	47.1	2.6	1.6	7.5	10.0	10.0
Fund management and administration	8.2	9.1	8.8	9.0	9.2	8.1	8.2	8.2	35.1	33.6	36.4	44.0	-12.1	-11.5	-4.1	8.3	20.9
Marketing and advertising	1.9	2.2	2.0	2.1	2.6	2.6	2.6	2.8	8.3	10.6	11.8	13.3	0.9	18.4	27.3	12.0	12.0
Professional fees	0.6	0.7	0.5	0.9	1.0	1.1	1.1	1.1	2.7	4.3	4.6	5.0	12.6	67.4	58.1	7.0	7.0
Occupancy, communication and equipment	0.4	0.6	0.7	1.1	0.9	0.9	0.9	0.9	2.8	3.6	3.8	4.0	0.0	52.3	29.3	5.0	5.0
Depreciation and amortization	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.4	0.8	0.8	0.8	4.2	141.0	80.4	0.0	0.0
Other	0.9	1.1	1.2	1.4	1.1	1.3	1.3	1.3	4.5	5.0	5.8	6.3	13.8	22.5	11.5	15.0	8.0
Acquisition related	0.0	0.0	0.0	0.0	0.8	1.0	1.5	3.0	0.0	6.3	7.0	7.0	N/A	O/A	N/A	10.8	0.0
Third party profit sharing	0.1	0.4	0.4	0.5	0.0	0.1	0.1	0.1	1.4	0.3	0.4	0.4	900.0	-76.6	-77.3	20.0	12.0
Total expenses	21.5	25.1	24.7	26.7	26.4	26.8	27.7	29.8	97.9	110.6	121.6	137.6	1.2	6.6	13.0	10.0	13.1
Operating Income (Loss)	7.9	12.2	15.0	16.5	16.5	16.7	17.2	17.1	51.5	67.5	86.5	113.5	1.5	36.7	31.0	28.1	31.2
Interest and investment income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Pre-tax Income	7.9	12.2	15.0	16.5	16.5	16.7	17.2	17.1	51.5	67.5	86.5	113.5	1.5	36.7	31.0	28.1	31.2
Tax	0.0	0.0	0.0	0.0	-13.7	7.6	7.8	7.7	0.0	9.4	39.3	51.5					
Tax Rate	0.0%	0.0%	0.0%	0.0%	-83.3%	45.4%	45.4%	45.4%	0.0%	14.0%	45.4%	45.4%					
Net Income (loss)	7.9	12.2	15.0	16.5	30.2	9.1	9.4	9.3	51.5	58.1	47.2	62.0	-69.8	-25.4	12.7	-18.7	31.2
Weighted average common shares - diluted	139.7	140.1	140.1	140.1	138.7	138.9	139.2	139.4	140.1	139.4	140.9	142.9	0.2	-0.8	-0.5	1.1	1.4
GAAP EPS	0.06	0.09	0.11	0.12	0.22	0.07	0.07	0.07	0.37	0.42	0.34	0.43	-69.8	-24.8	13.2	-19.6	29.4
Adjusted EPS	0.06	0.09	0.11	0.12	0.12	0.07	0.07	0.07	0.37	0.32	0.34	0.43	-44.7	-24.8	-13.6	5.3	29.4
AUM (\$Millions):																	
Total AUM	24,900	28,975	31,352	34,884	33,884	34,102	35,320	36,760	34,884	36,760	44,443	53,562	0.6	17.7	5.4	20.9	20.5
Q/Q Chg	36%	16%	8%	11%	-3%	1%	4%	4%	91%	5%	21%	21%					
Net New Flows	5,892	4,916	1,160	2,308	-498	-135	630	830	14,276	827	5,125	6,025	-72.9	-102.7	-94.2	519.7	17.6
Annualized Organic Growth	129%	79%	16%	29%	-6%	-2%	7%	9%	78%	2%	14%	14%					
Revenue Yield (bps)	53.6	52.4	51.3	51.4	50.8	50.7	50.6	50.5	52.1	50.7	50.6	50.6					
Average AUM (\$M)	22,040	28,390	30,473	33,091	33,859	33,993	34,711	36,040	28,498	34,651	40,602	49,003					
Margins:																	
Gross Margin	71.6%	74.5%	76.9%	78.2%	78.6%	81.2%	81.4%	82.0%	75.6%	80.8%	82.2%	82.2%					
Adjusted Operating Income (ex Acq related expense)	26.8%	32.8%	37.8%	38.2%	40.3%	40.9%	42.0%	43.4%	34.5%	33.9%	45.2%	48.2%					
Adjusted Operating Income	26.8%	32.8%	37.8%	38.2%	38.4%	38.6%	38.6%	36.9%	34.5%	30.4%	41.8%	45.4%					
Statistics:																	
Comp % Revenue	26%	25%	24%	22%	22%	22%	22%	22%	24%	22%	21%	19%					
Fund Mgmt & Administration % Revenue	28%	25%	22%	21%	22%	19%	19%	18%	24%	19%	18%	18%					
EBITDA (\$M)	7.9	12.3	15.0	16.7	2.9	16.9	17.4	17.3	52.0	54.6	87.3	114.3					
Free Cash Flow (\$M)	7.9	12.2	14.1	11.6	13.1	8.8	9.1	9.0	45.8	40.1	45.0	58.8					
Adjusted Net Income (\$M)	7.85	12.24	14.97	16.48	16.48	16.73	17.24	17.07	51.54	53.79	86.48	113.48					
Dividend	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					
Book Value per share	0.44	0.54	0.65	0.78	0.98	0.96	1.02	1.09	0.78	1.19	1.40	1.78					

Source: Company reports, Citi Research

WisdomTree Investments Inc

Company description

WisdomTree Investments is a NY-based asset manager focused on exchange-traded funds (ETFs) using its proprietary fundamentally weighted index methodology. WisdomTree also licenses its indexes to third parties for proprietary products and offers a platform to promote the use of WisdomTree ETFs in 401(k) plans. WETF offers products diversified across international, emerging market, U.S., fixed income, currency, and alternative asset classes. The company is led by CEO and founder Mr. Jonathan Steinberg and senior officials including Michael Steinhardt, non-executive Chairman, and Jeremy J. Siegel, Senior Advisor.

Investment strategy

Four reasons pace our negative view and Sell rating. First, the flow story is becoming less differentiated. Second, the incremental margin opportunity also seems less unique. Third, we believe consensus expectations are at risk. Fourth, we see further P/E multiple contraction as points of differentiation deteriorate - and recent growth initiatives take time to play out.

Valuation

We value the shares of WETF by using a target P/E methodology. We apply a 25x P/E multiple on our 2015 EPS estimate to reach \$8.50 in value. We add ~\$0.75 in NPV for the NOL to reach our \$9.50 target.

Risks

In addition to low liquidity, the central risks to our price target are: 1) success of new products and/or distribution efforts; and, 2) improvement in Emerging Market Equity volumes.

If market conditions improve faster than anticipated, the share price may outperform our target.

Financial market risk — Changes in markets have a direct impact on AUM and investment management fees.

Franklin Resources Inc

(BEN.N; US\$55.87; 1)

Valuation

Our target price on BEN is \$61. We value the shares using the target P/E method. Our target factors a ~16x target multiple applied to our C15 operating EPS estimate discounted one year at a 10% cost of capital.

Risks

BEN benefits from declining systemic risks, is among the most diversified platforms in our coverage universe – as measured by mix, geography, and distribution channel – and among the strongest balance sheets that should support shareholder

friendly capital management. In addition, BEN has among the best trading liquidity among our coverage universe.

If the impact from any of the following factors proves to be greater than we expect, the stock price may have difficulty reaching our target price. If market conditions improve faster than anticipated, the stock price may outperform our target.

Financial market risk — Changes in markets have a direct impact on AUM and investment advisory and services fees.

Performance risk — An inability to meet relevant investment benchmarks could result in clients withdrawing assets and in prospective clients choosing to invest with competitors. This could also result in lower investment management fees, which could result in a decline in revenue.

Redemption risk — Investors can redeem their investments without notice. A significant increase in redemption rates could have a material adverse effect on revenues, financial condition, results of operations and business prospects.

Invesco Ltd

(IVZ.N; US\$35.58; 1)

Valuation

We value the shares of Invesco using the target P/E method. Our \$47 12-month price target is derived by applying a 15.5x target P/E to our 2015E adjusted EPS estimate. The 15.5x target P/E is in line with the historical GAAP median of 16x and slightly below the sector.

Risks

The three central risks to our 12-month price target reflect below-average markets, and outsized FX swings, the combination of which could reduce our EPS estimates and temper upward P/E multiple revaluation.

Additionally, if the impact from any of the following factors proves to be greater than we expect, the stock price may have difficulty reaching our target price. If market conditions improve faster than anticipated, the stock price may outperform our target.

Financial market risk — Changes in markets have a direct impact on AUM and investment advisory and services fees.

Performance risk — An inability to meet relevant investment benchmarks could result in clients withdrawing assets and in prospective clients choosing to invest with competitors. This could also result in lower investment management fees, which could result in a decline in revenue.

Redemption risk — Investors can redeem their investments without notice. A significant increase in redemption rates could have a material adverse effect on revenues, financial condition, results of operations and business prospects.

Affiliated Managers Group

(AMG.N; US\$190.46; 1)

Valuation

We value the shares of AMG at \$240 using a SOTP methodology to factor incremental deal accretion. Using a 11.5x target EV/EBITDA multiple on 2015E, our standalone target is \$221. The 11.5x target EV/EBITDA multiple is a modest premium to peers. Accounting for \$1B deployed into incremental deals, we add \$19 per share. We estimate each \$500M deployed is approximately \$10 p.s. accretive to the stock price, but we assume \$500M occurs in year 1 and \$500M in year 2. Accordingly, the second \$500M deployed is discounted 1 year at a 10% cost of capital, resulting in \$9.

Risks

AMG's manager of managers model collars downside market and EPS risk reflecting revenue, income, and equity sharing arrangements across an increasingly global footprint. The two central risks to our price target reflect a delay in the closing of deals and sustained below-trend capital markets which might reduce our EPS expectations and temper P/E multiple expansion.

If the impact from any of the following factors proves to be greater than we expect, the stock may have difficulty reaching our target price. If market conditions improve faster than anticipated, the stock may outperform our target.

Financial market risk - Changes in markets, positive or negative, have a direct impact on AUM and investment advisory and services fees.

Performance risk - An inability to meet relevant investment benchmarks could result in clients withdrawing assets and in prospective clients choosing to invest with competitors. This could also result in lower investment management fees, including minimal or no performance-based fees, which could result in a decline in revenue.

Redemption risk - Investors can redeem their investments without notice. A significant increase in redemption rates could have a material adverse effect on revenues, financial condition, results of operations and business prospects.

Waddell & Reed Financial, Inc

(WDR.N; US\$63.75; 1)

Valuation

We value the shares of Waddell & Reed using the target P/E method. We apply a 18x-18.5x P/E multiple to our 2015 EPS estimate to reach our \$85 target. We see a modest premium to the Group given superior flow and margin dynamics.

Risks

Risk reflects: 1) fund concentration; 2) market volatility; and, 3) outsized U.S.-centric platform.

Additionally, if the impact from any of the following factors proves to be greater than we expect, the stock price may have difficulty reaching our target price.

Financial market risk — Changes in markets have a direct impact on AUM and investment advisory and services fees.

Performance risk — An inability to meet relevant investment benchmarks could result in clients withdrawing assets and in prospective clients choosing to invest with competitors. This could also result in lower investment management fees, which could result in a decline in revenue.

Redemption risk — Investors can redeem their investments without notice. A significant increase in redemption rates could have a material adverse effect on revenues, financial condition, results of operations and business prospects.

Appendix A-1

Analyst Certification

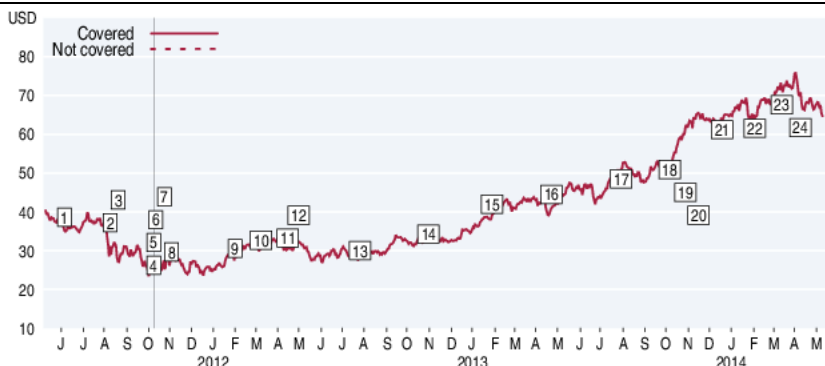
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IMPORTANT DISCLOSURES

Waddell & Reed Financial, Inc (WDR)

Ratings and Target Price History Fundamental Research

Analyst: William R Katz



	Date	Rating	Target Price	Closing Price
1	6-Jun-11	1M	*45.00	35.17
2	9-Aug-11	1M	*40.00	31.11
3	19-Aug-11	1M	*36.00	27.13
4	8-Oct-11	Stock rating system changed		
5	8-Oct-11	*1	36.00	24.26
6	12-Oct-11	1	*30.00	25.00
7	25-Oct-11	*2	*27.00	25.21
8	3-Nov-11	2	*29.00	29.13

* Indicates change

	Date	Rating	Target Price	Closing Price
9	1-Feb-12	*3	*24.00	28.48
10	8-Mar-12	3	*27.00	30.69
11	16-Apr-12	*2	*30.00	30.41
12	1-May-12	2	*32.00	32.33
13	26-Jul-12	2	*31.00	28.62
14	31-Oct-12	2	*35.00	33.33
15	29-Jan-13	2	*39.00	39.14
16	23-Apr-13	2	*41.00	40.99

	Date	Rating	Target Price	Closing Price
17	30-Jul-13	2	*52.00	50.97
18	7-Oct-13	2	*55.00	52.52
19	29-Oct-13	2	*63.00	62.01
20	15-Nov-13	2	*68.00	65.47
21	19-Dec-13	2	*66.00	63.41
22	4-Feb-14	*1	*76.00	64.72
23	13-Mar-14	1	*86.00	72.01
24	9-Apr-14	1	*85.00	70.83

Rating/target price changes above reflect Eastern Standard Time

Waddell & Reed Financial, Inc (WDR)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: William R Katz



	Date	Rating	Target Price	Closing Price
1	25-Oct-11	*ADD LP	-	25.21

* Indicates change

	Date	Rating	Target Price	Closing Price
2	27-Jul-12	*REM LP	-	30.00

Rating/target price changes above reflect Eastern Standard Time

Franklin Resources Inc (BEN)

Ratings and Target Price History

Fundamental Research

Analyst: William R Katz



	Date	Rating	Target Price	Closing Price
1	6-Jun-11	1L	*51.67	40.65
2	8-Aug-11	1L	*46.67	35.54
3	8-Oct-11	Stock rating system changed		
4	8-Oct-11	*1	46.67	31.64
5	10-Oct-11	1	*43.33	33.26
6	27-Oct-11	1	*45.00	36.08
7	8-Dec-11	1	*41.67	32.16
8	11-Jan-12	*2	*35.00	32.22

* Indicates change

	Date	Rating	Target Price	Closing Price
9	1-Feb-12	2	*37.33	37.32
10	8-Feb-12	2	*40.00	38.90
11	8-Mar-12	2	*41.67	39.98
12	11-Jun-12	2	*39.00	35.14
13	12-Sep-12	2	*40.33	41.23
14	26-Oct-12	2	*43.33	42.67
15	8-Nov-12	2	*45.00	42.70
16	9-Jan-13	2	*46.67	43.79

	Date	Rating	Target Price	Closing Price
17	11-Feb-13	2	*51.67	46.72
18	30-Apr-13	2	*53.33	51.55
19	12-May-13	*1	*66.67	53.74
20	24-Jun-13	1	*58.33	44.66
21	29-Jul-13	1	*58.00	48.08
22	25-Oct-13	1	*63.00	54.50
23	30-Jan-14	1	*61.00	52.78

Rating/target price changes above reflect Eastern Standard Time

Franklin Resources Inc (BEN)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: William R Katz



	Date	Rating	Target Price	Closing Price
1	1-Aug-11	*REM MP	-	42.15

* Indicates change

	Date	Rating	Target Price	Closing Price
2	19-Aug-11	*ADD MP	-	36.88

	Date	Rating	Target Price	Closing Price
3	24-May-12	*REM MP	-	36.00

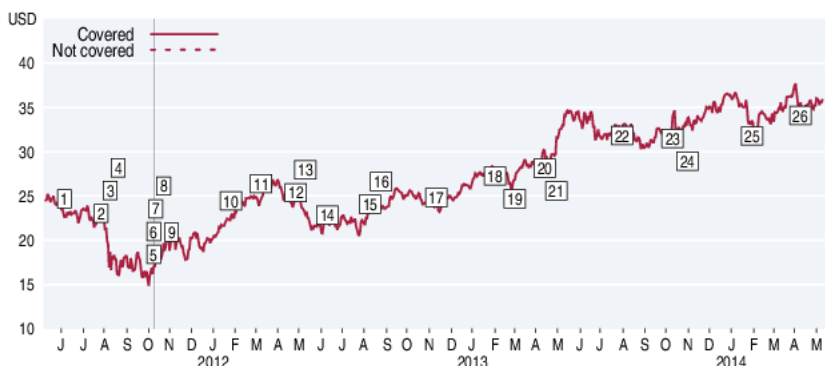
Rating/target price changes above reflect Eastern Standard Time

Invesco Ltd (IVZ)

Ratings and Target Price History

Fundamental Research

Analyst: William R Katz



Date	Rating	Target Price	Closing Price
1 6-Jun-11	2M	*24.50	22.55
2 27-Jul-11	2M	*24.00	22.26
3 9-Aug-11	2M	*18.50	18.69
4 19-Aug-11	2M	*17.00	16.11
5 8-Oct-11	Stock rating system changed		
6 8-Oct-11	*2	17.00	16.20
7 12-Oct-11	*1	*21.00	17.98
8 24-Oct-11	1	*23.00	19.67
9 3-Nov-11	1	*25.00	20.45

* Indicates change

Date	Rating	Target Price	Closing Price
10 26-Jan-12	1	*27.00	22.78
11 8-Mar-12	1	*30.00	24.60
12 26-Apr-12	1	*31.00	25.06
13 10-May-12	1	*28.50	22.74
14 11-Jun-12	1	*27.00	22.35
15 9-Aug-12	1	*28.00	23.59
16 24-Aug-12	1	*29.00	23.80
17 12-Nov-12	1	*27.50	24.07
18 1-Feb-13	1	*30.75	27.77

Date	Rating	Target Price	Closing Price
19 1-Mar-13	1	*34.00	26.83
20 12-Apr-13	1	*35.00	30.13
21 30-Apr-13	1	*39.00	31.74
22 31-Jul-13	1	*40.00	32.19
23 10-Oct-13	1	*41.00	33.92
24 31-Oct-13	1	*44.00	33.75
25 30-Jan-14	1	*48.00	33.50
26 9-Apr-14	1	*47.00	35.55

Rating/target price changes above reflect Eastern Standard Time

Invesco Ltd (IVZ)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: William R Katz



Date	Rating	Target Price	Closing Price
1 25-Oct-11	*ADD MP	-	18.80
2 8-Oct-12	*REM MP	-	25.49

* Indicates change

Date	Rating	Target Price	Closing Price
3 14-Aug-13	*ADD MP	-	32.88
4 27-Feb-14	*REM MP	-	34.12

Rating/target price changes above reflect Eastern Standard Time

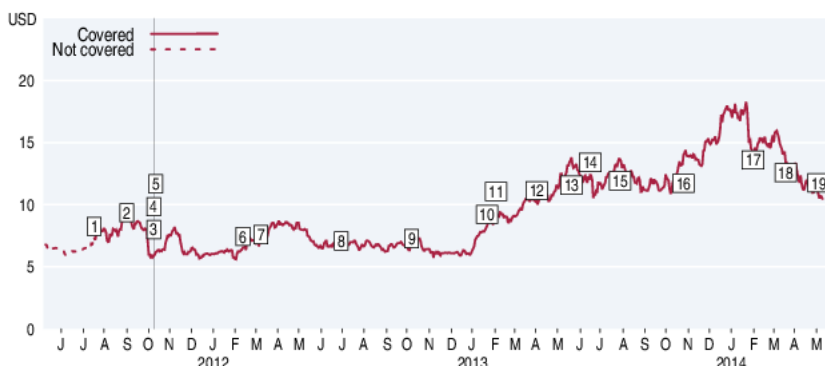
WisdomTree Investments Inc (WETF)

Ratings and Target Price History

Fundamental Research

Analyst: William R Katz

Covered since July 18 2011



Date	Rating	Target Price	Closing Price
1 18-Jul-11	*1H	*10.00	7.31
2 1-Sep-11	1H	*11.00	9.00
3 8-Oct-11	Stock rating system changed		
4 8-Oct-11	*1	11.00	5.78
5 12-Oct-11	1	*9.00	6.19
6 13-Feb-12	1	*8.50	6.55
7 8-Mar-12	1	*9.50	7.03

* Indicates change

Date	Rating	Target Price	Closing Price
8 29-Jun-12	1	*8.50	6.57
9 8-Oct-12	1	*9.50	6.74
10 22-Jan-13	1	*10.00	8.31
11 4-Feb-13	1	*12.00	9.06
12 2-Apr-13	1	*13.50	10.31
13 21-May-13	1	*16.00	13.80
14 17-Jun-13	*2	*13.50	12.45

Date	Rating	Target Price	Closing Price
15 28-Jul-13	2	*14.00	13.69
16 25-Oct-13	2	*15.00	14.01
17 31-Jan-14	2	*14.00	14.11
18 19-Mar-14	*3	*11.00	13.35
19 5-May-14	3	*9.50	10.81

Rating/target price changes above reflect Eastern Standard Time

WisdomTree Investments Inc (WETF)

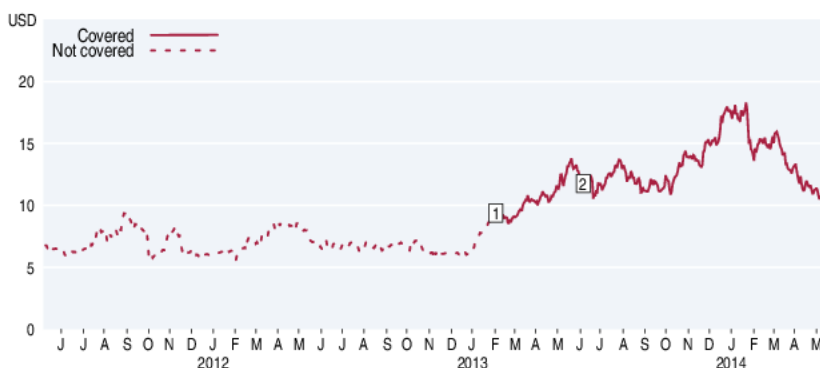
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: William R Katz

Covered since July 18 2011



	Date	Rating	Target Price	Closing Price
1	4-Feb-13	*ADD MP	-	9.06

* Indicates change

	Date	Rating	Target Price	Closing Price
2	6-Jun-13	*REM MP	-	11.89

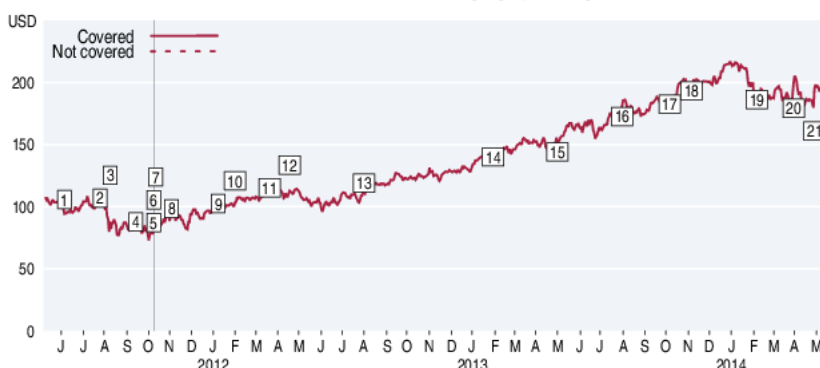
Rating/target price changes above reflect Eastern Standard Time

Affiliated Managers Group (AMG)

Ratings and Target Price History

Fundamental Research

Analyst: William R Katz



	Date	Rating	Target Price	Closing Price
1	6-Jun-11	1M	*122.00	94.22
2	26-Jul-11	1M	*125.00	106.92
3	9-Aug-11	1M	*110.00	88.07
4	14-Sep-11	1M	*107.00	84.71
5	8-Oct-11	Stock rating system changed		
6	8-Oct-11	*1	107.00	77.85
7	12-Oct-11	1	*105.00	87.15

* Indicates change

	Date	Rating	Target Price	Closing Price
8	3-Nov-11	1	*110.00	94.30
9	9-Jan-12	1	*115.00	99.99
10	1-Feb-12	1	*120.00	103.41
11	21-Mar-12	1	*129.00	112.19
12	18-Apr-12	1	*132.00	112.76
13	1-Aug-12	1	*135.00	111.26
14	30-Jan-13	*2	*155.00	144.60

	Date	Rating	Target Price	Closing Price
15	1-May-13	2	*160.00	150.72
16	31-Jul-13	2	*180.00	180.35
17	7-Oct-13	2	*195.00	185.29
18	6-Nov-13	2	*200.00	199.95
19	6-Feb-14	2	*190.00	188.63
20	31-Mar-14	*1	*225.00	200.05
21	29-Apr-14	1	*240.00	195.11

Rating/target price changes above reflect Eastern Standard Time

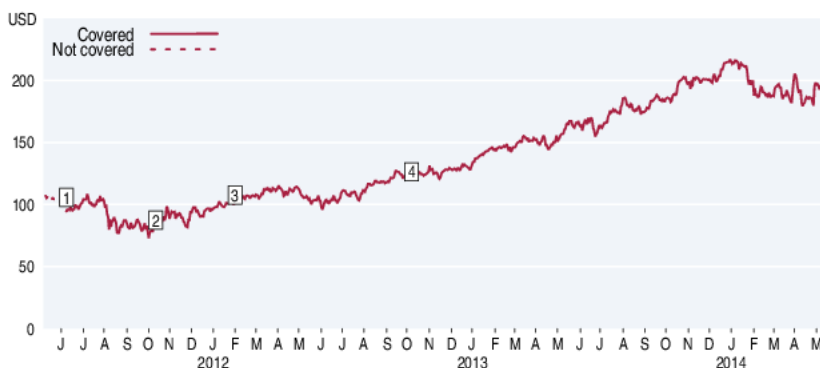
Affiliated Managers Group (AMG)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: William R Katz



	Date	Rating	Target Price	Closing Price
1	8-Jun-11	*ADD MP	-	94.59
2	12-Oct-11	*REM MP	-	87.15

* Indicates change

	Date	Rating	Target Price	Closing Price
3	1-Feb-12	*ADD MP	-	103.41
4	8-Oct-12	*REM MP	-	123.25

Rating/target price changes above reflect Eastern Standard Time

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<i>% of companies in each rating category that are investment banking clients</i>	55%	53%	45%	58%	53%	42%

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Citigroup Global Markets Inc

William R Katz; Neil Stratton, CFA; Steven J Fullerton

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