



Empowering Financial Wellness

2016 Annual Report



Fellow Shareholders:

For more than 16 years, Envestnet has been developing its unified technology to support advisors and enterprises and enabling them to run and scale their businesses more efficiently, giving them access to the best and most diverse investment products. We are driven not only by the belief that expert advisors offer tremendous value and are more essential than ever, but that when supported by intelligent systems those experts can help deliver better outcomes for their clients.

2016 was a year of strong organic growth for Envestnet. We continue to innovate and deliver actionable intelligence through our smart systems for wealth management and financial wellness. And, the steady movement to fee-based advisory services reinforces our dedication to delivering a fiduciary standard of care.

2016 Highlights Envestnet currently serves more than 2,000 enterprises and more than 54,000 advisors, a nearly 15 percent increase from 2015, and over \$1 trillion in total platform assets—a significant achievement for our firm.

Serving tens of thousands of advisors across thousands of companies in over 15 countries, and supporting millions of investor accounts and many trillions of aggregated assets and transactions, we are uniquely positioned to enable financial wellness. This is reflected in the continued strong demand for our offerings from both large enterprises and registered investment advisors.

Financial Wellness Consumers today are actively engaged in better understanding their overall financial health. They want hands-on tools that can offer them better transparency and control. In a 24/7 information-driven environment, we enable financial advisors and enterprises to offer digital technology like a smart client portal that strengthens their relationship with clients. By leveraging advanced data aggregation capabilities within a goals-based financial planning approach, advisors can deliver on their promise of more meaningful advice to their clients according to their financial needs. Our client portal and financial wellness tools not only enable consumers to actively engage and monitor their daily personal finances but also give them a complete picture of their wealth in real-time. This technology also empowers advisors with better intelligence driven by robust data analytics.

We believe that sound financial advice is not driven by algorithms alone, but rather, through a human connection as well. Building an advisory model that leverages the best technology to support this important advisor-client relationship, while also enabling scale, is more essential than ever. In order to deliver this, we have developed an expert-centric, intelligent platform that mitigates or eliminates human error, and enables expert advisors to focus on the things they're uniquely capable of doing: coaching, helping clients navigate a confusing world

of information overload, tax and estate planning, tax management, and sophisticated financial and goals-based planning. With Envestnet's proven infrastructure and advanced software tools, we are helping to power the future of advice.

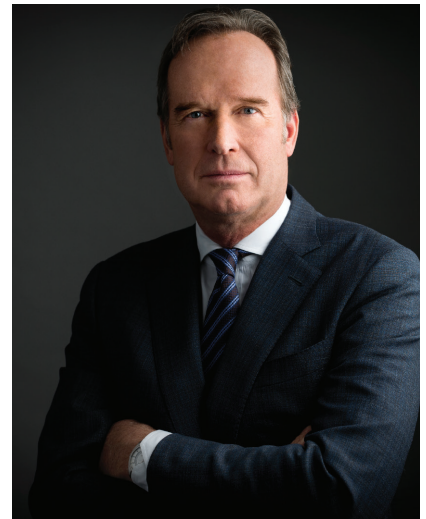
Holistic Advice One of the core pillars of an advisor's value proposition is being able to deliver a financial roadmap for clients that meets not only their long-term financial needs but also takes into account real-life challenges and opportunities that can factor into everyday life. As the financial advice profession has evolved from being investment-centric, to being wealth-centric, and financial planning-centric, we believe the advisor of the future will need to harness the power of data aggregation and analytics within a goals-based planning toolset. In this new world of planning, our systems integrate financial planning tools with Envestnet | Yodlee's data aggregation capabilities.

Unified Technology The importance of technology integration in helping advisors and enterprises grow their practices was underscored in a recent third installment of a study we commissioned by Aite Group. The study found that firms that utilize a technology platform with fully integrated applications are empowered to engage their clients in a more scalable way. In fact, advisors using an integrated platform that includes financial planning are able to complete, on average, 56% more financial plans than counterparts without integrated solutions. By relying on integrated technology with data aggregation capabilities, advisors can focus their time and energy on what they do best—building client relationships and helping clients navigate through complex financial planning and wellness decisions to add value and deliver better outcomes.

Also, advanced technology integration has proven to allow more time for client investment management. Independent research shows an increase of 10% for independent RIAs, 28% for independent broker-dealer practices, and 62% for bank/trust advisors, compared to peers with no integration.

In the last year, Envestnet has further deepened its integrated technology offering to meet the growing needs of financial professionals. We enhanced our end-to-end wealth management platform by integrating Envestnet | Yodlee's industry-leading data aggregation capabilities. We improved our data analytics toolset to deliver robust online dashboards and reporting that provide actionable intelligence. And, we enhanced our existing capabilities to further meet the fiduciary requirements increasingly being demanded by end consumers.

Our platform offers proven wealth management technology, unmatched breadth and depth of fiduciary solutions, and advanced data analytics. These essential elements are integrated and can be configured to meet a wide range of client needs and uses.



Jud Bergman
Chairman & Chief Executive Officer
Envestnet, Inc.

“Financial wellness is best achieved when human expertise leverages innovative and proven technology.”

Jud Bergman

Looking Forward Our 2017 priority is to continue to expand our business through the following strategies that respond to market requirements:

First, we expect to evolve from being the number one platform in wealth management to a powerful financial wellness network that connects not only the advisor with their client, but links them to all of the important constituents involved—including investment managers, fund and ETF providers, strategists, custodians and record keepers. This will enable us to continue to offer a more holistic end-to-end solution for our clients.

Second, we will continue to identify areas of synergy with respect to data aggregation and data integrity including performance analytics. We now have the integrated solution that deepens understanding of the client, accelerates client onboarding, automates the major activities required for wealth management and financial wellness, and turbocharges advisor and enterprise productivity.

Third, we expect additional growth from expanding our addressable market. By creating a financial wellness network, having the data analytics capabilities to provide clients with better intelligence and delivering expert-centric smart systems, we'll be able to create better outcomes for enterprises, advisors and investors.

As always, I want to thank my Envestnet colleagues for their hard work and dedication to our mission and values; our clients for their partnership; and our shareholders for recognizing the tremendous opportunity that we share.

Sincerely,



Judson Bergman
Chairman & Chief Executive Officer
Envestnet, Inc.

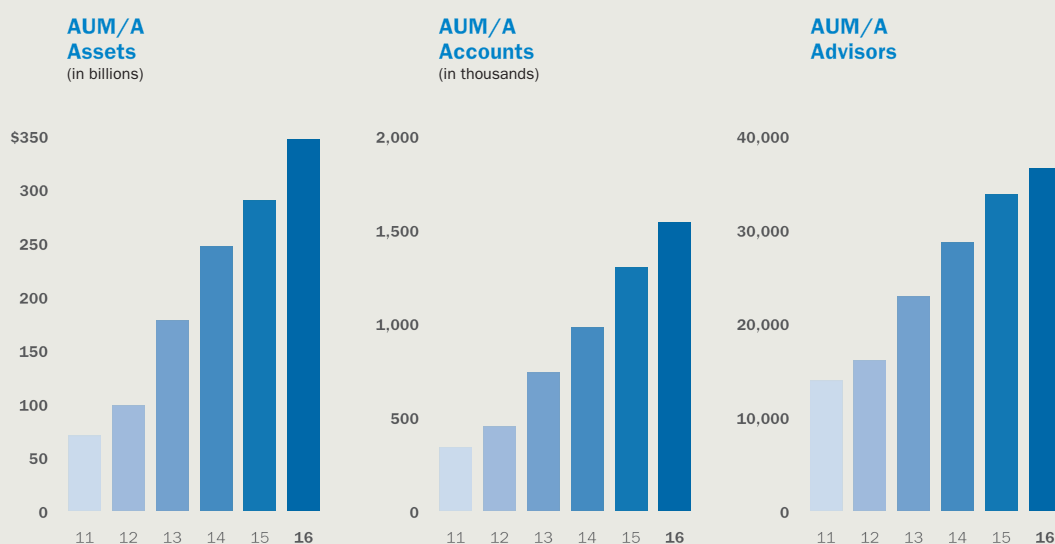
Financial Highlights

(in millions)	2016	as of December 31, 2015	% Change
Revenues	\$ 578	\$ 421	37%
Adjusted EBITDA	\$ 99	\$ 76	31%

Operating Metrics

(in millions except accounts and advisors)	2016	as of December 31, 2015	2014
Assets			
Assets Under Management (AUM)	\$ 105,178	\$ 92,559	\$ 72,120
Assets Under Administration (AUA)	241,682	197,177	174,249
Subtotal AUM/A	346,860	289,736	246,369
Subscription and Licensing	748,125	561,699	466,982
Total Platform Assets	\$ 1,094,985	\$ 851,435	\$ 713,351
Accounts			
AUM	545,130	490,471	310,351
AUA	994,583	807,708	667,274
Subtotal AUM/A	1,539,713	1,298,179	977,625
Subscription and Licensing	4,558,883	2,176,068	1,881,352
Total Platform Accounts	6,098,596	3,474,247	2,858,977
Advisors			
AUM/A	36,483	33,775	28,605
Subscription and Licensing	17,852	13,553	11,632
Total Advisors	54,335	47,328	40,237

Note: Please see our Form 10-K for reconciliation of non-GAAP measures and related disclosures.



Directors and Executive Officers

Judson Bergman

Mr. Bergman is the founder of our Company and has served as our Chairman, Chief Executive Officer and a director since 1999. Since founding the Company, he has focused on guiding the company's strategy and overseeing its organizational and business development. Prior to founding our Company, Mr. Bergman was the Managing Director for Mutual Funds at Nuveen Investments, where he was responsible for the profitable growth of the firm's mutual fund business and also served on the firm's Investment Management Committee. He also directed Nuveen's product and corporate development activity where he helped build the firm's closed-end fund business, led the development and growth of Nuveen's separately managed accounts business and helped guide the firm's expansion into asset classes beyond municipal investments. Mr. Bergman received his MBA in finance and accounting from Columbia University and received a BA from Wheaton College.

Anil Arora

Mr. Arora has served as a director and Vice Chairman of our Company, and Chief Executive of Envestnet | Yodlee since November 2015. Prior to then, he was President and Chief Executive Officer and was a member of the board of directors of Yodlee, Inc. since February 2000. Mr. Arora served as the Chairman of the board of directors of Yodlee, Inc. from March 2014 through November 2015. Prior to joining Yodlee, from June 1998 to February 2000, Mr. Arora served in various positions with Gateway, Inc. Mr. Arora holds an MBA from the University of Michigan and a BS in business administration from Rockford College.

Luis Aguilar

Mr. Aguilar has served as a director of our Company since March 2016. Mr. Aguilar is Principal in Falcon Cyber Investments, an investment fund exclusively focused on cyber security investment and was previously Commissioner at the U.S. Securities and Exchange Commission from July 2008 through December 2015. Prior to his appointment as an SEC Commissioner, Mr. Aguilar was a partner with the international law firm of McKenna Long & Aldridge, LLP (now Dentons US LLP). Mr. Aguilar's previous experience includes serving as the general counsel, head of compliance, executive vice president, and corporate secretary of Invesco, Inc. His career also includes tenure as a partner at several prominent national law firms: Alston & Bird LLP; Kilpatrick Townsend & Stockton LLP; and Powell Goldstein Frazer & Murphy LLP (now Bryan Cave LLP). Mr. Aguilar serves as a director of Donnelley Financial Solutions, Inc. and MiMedx Group, Inc.

Mr. Aguilar is a graduate of the University of Georgia School of Law, and also received an LLM in taxation from Emory University. He had earlier earned a bachelor's degree from Georgia Southern University.

Ross Chapin

Mr. Chapin has served as a director of our Company since 2001. Mr. Chapin is a Managing Director of Parametric Portfolio Associates LLC, a provider of structured portfolio management, which he joined as a senior executive in October 2005. Prior to Parametric, Mr. Chapin co-founded Orca Bay Partners, a private equity firm, in 1998. Mr. Chapin received an MBA from Columbia University in finance and accounting, and an undergraduate degree from Denison University.

Gayle Crowell

Ms. Crowell has served as a director of our Company since March 2016. Prior to that she served as lead independent director of Yodlee, Inc. since March 2014 and as a member of the Yodlee, Inc. board of directors from July 2002 until November 19, 2015 when Yodlee, Inc. was acquired by Envestnet. Ms. Crowell has served as an operational business consultant for Warburg Pincus LLC, a private equity firm, since June 2001. Ms. Crowell received a BS in education from the University of Nevada at Reno.

James Fox

Mr. Fox has served as a director of our Company since February 2015. Mr. Fox most recently retired as Non-Executive Chairman of FundQuest, Inc., upon its acquisition by the Company, effective December 2011 after serving in that role since September 2010 and prior to that, as President and Chief Executive Officer starting in October, 2005. Mr. Fox has over 30 years of senior executive experience with The BISYS Group, Inc. and First Data Corporation starting in 1989 and currently serves on two additional boards in different industries. He participated in the Advanced Management Program at the Wharton School of the University of Pennsylvania. He earned his MBA in finance from Suffolk University and his BA in economics from the State University of New York.

James Johnson

Mr. Johnson has served as a director of our Company since 2000. Mr. Johnson is a General Partner and Founder of Apex Venture Partners LLC, or Apex, a private equity firm, which he founded in 1988. Prior to founding Apex, Mr. Johnson was one of three founding partners of Knightsbridge Partners Inc., a private investment firm. Prior to Knightsbridge, Mr. Johnson served in senior management roles with Beatrice Foods Co., including corporate Chief Financial Officer and Senior Vice President of the \$6 billion U.S. Foods subsidiary. Mr. Johnson received an MBA from Northwestern University and a BS from Loyola University.

Charles Roame

Mr. Roame has served as a director of our Company since 2011. Mr. Roame is a private investor and advisor to dozens of worldwide CEOs in the financial services and fintech markets. Mr. Roame also serves as a board member at Edelman Financial Services, LLC (and the related affiliates of Hellman & Friedman, which owns the majority of Edelman Financial Services), and as a trustee for the SA Funds (where he serves on the Audit and Nominating & Governance committees). Mr. Roame has also served as the Managing Partner of Tiburon Strategic Advisors, LLC, a provider of research, strategy consulting, and other related services primarily to financial services firms, and the Tiburon Partners Fund, since 1998. Tiburon has published over 1,900 industry research papers, served hundreds of financial services companies, and hosts the semi-annual Tiburon CEO Summits. Mr. Roame received his MBA from the University of Michigan and a BA from Michigan State University.

Gregory Smith

Mr. Smith has served as a director of our Company since February 2015. Mr. Smith currently is an Executive-in-Residence and Lecturer at the University of Wisconsin-Milwaukee's Lubar School of Business, as well as Managing Partner of Barnett Management Advisors, LLC. Prior to that, Mr. Smith served as Senior Vice President and Chief Financial Officer of the Marshall & Ilsley Corporation and M&I Bank from 2006 until the company's sale to BMO Harris Bank in 2011. Prior to joining Marshall & Ilsley, Mr. Smith held progressively senior roles during a 16 year Wall Street investment banking career, including six years as a Managing Director. Mr. Smith is an honors graduate of both Princeton University where he received a BA and The University of Chicago where he received an MBA.

Executive Officers

Judson Bergman, Chief Executive Officer
Anil Arora, Chief Executive of Envestnet | Yodlee
William Crager, President
Peter D'Arrigo, Chief Financial Officer
Scott Grinis, Chief Technology Officer
Josh Mayer, Chief Operating Officer
Shelly O'Brien, Chief Legal Officer, General Counsel and Corporate Secretary
Brandon Thomas, Chief Investment Officer

Corporate Information

Annual Meeting of Shareholders

Information about the Envestnet Annual Meeting of Shareholders on July 13, 2017, at 10:00 AM Central Time is in our proxy statement, which is also available online at www.envestnet.com on the Investor Relations page.

Stock Exchange Listings

New York Stock Exchange. Symbol: ENV

Investor Relations

Shareholders, securities analysts, portfolio managers and representatives of financial institutions seeking information about Envestnet should contact Investor Relations at the company's address, by calling 312.827.3940 or emailing investor.relations@envestnet.com.

Stock Transfer Agent and Registrar

American Stock Transfer & Trust Company, LLC
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Brooklyn, NY 11219
www.astfinancial.com
800.937.5449

Ordering Additional Annual Reports

Envestnet's 2016 Annual Report may be obtained without charge by completing and submitting the form on our website, or by contacting Investor Relations.

Form 10-K

A copy of our Annual Report on Form 10-K for 2016 is available on our website. Additional copies of our Annual Report on Form 10-K or interim financial reports filed with the SEC may be obtained by contacting Investor Relations.

Safe Harbor Statement

This annual report contains forward-looking statements regarding future events and our future results. These statements are based on our current expectations and projections about future events. Although we believe that our plans, intentions and expectations are reasonable, we may not achieve our plans, intentions or expectations. These forward-looking statements involve risks and uncertainties. Accordingly, investors should not place undue reliance upon our forward-looking statements. You should read this annual report and our other communications to you completely and with the understanding that our actual future results, levels of activity, performance and achievements may be different from what we expect and that these differences may be material. We qualify all of our forward-looking statements by these cautionary statements.

Website

Visit www.envestnet.com/report/2016.

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