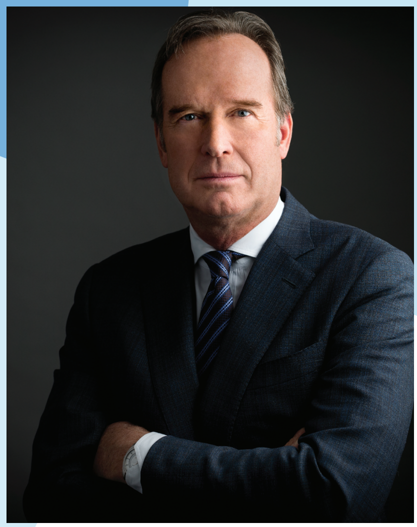
ENVESTNET®

Enabling Financial Wellness

2017 Annual Report



Jud Bergman
Chairman & Chief Executive Officer
Envestnet, Inc.

Fellow Shareholders:

Envestnet is empowered by a fundamental mission—to enable financial wellness. Our unparalleled technology and ability to scale has allowed us to deliver better outcomes for our clients through better intelligence. And, our success in accomplishing this mission is beneficial not only to the clients we serve, but also to our firm and its shareholders.

We've worked to develop the premier operating system for wealth management. Our advice- and data-centric platform connects the critical components of managing wealth—financial planning, data aggregation and analytics, portfolio management and fiduciary solutions—as well as the many important constituents involved including advisors, enterprises, service providers and clients.

Envestnet is well-positioned to deliver a unique network that enhances financial wellness for tens of millions of end clients. We made significant strides in 2017 in expanding and enhancing this network, an ongoing effort that remains a priority in 2018.

2017 Highlights

This past year, we continued to build on our proven record of innovation and growth. We experienced robust revenue growth of 18% over the prior year to $684 million, and expanded our industry footprint in the growing $18 trillion advisor marketplace. By the end of 2017, we served more than 3,000 enterprises, nearly 60,000 advisors and 22 million end clients, and supported nearly $1.4 trillion in total platform assets and many trillions in aggregated assets.

Several industry trends support our long-term growth: advisors' and enterprises' increasing reliance on technology to enhance productivity and strengthen relationships with their clients; the growing dependence on data and analytics across financial services; and the movement of investor accounts from commission-based to fee-based. We expect these trends will continue to be a tailwind to our business for many years, reinforcing the value of our Financial Wellness Network.

Delivering Financial Wellness

We believe that delivering financial wellness requires a holistic approach, taking into consideration the full range of consumers' financial needs, goals, and aspirations. There are five main pillars:

- **Planning—**gaining a deep understanding of the client and his/her current situation. It includes developing financial plans that achieve short- and long-term goals that factor in life transitions and circumstances.
- **Budgeting—**evaluating spending patterns and short-term savings relative to income. It is informed by dynamic information on where and when spending occurs.
- **Investing—**diversifying investments, seeking to maximize returns for a given level of risk to ensure there are sufficient long-term assets to achieve goals.

> **“Envestnet is well-positioned to deliver a unique network that enhances financial wellness for tens of millions of end clients.”**
>
> **Jud Bergman**

- **Managing Credit—**using various tools—loans, mortgages, and other credit sources—in smart ways to finance appropriate long-term investments in areas such as real estate, education, and business.
- **Protecting—**leveraging advisor-assisted guaranteed income and protection products that ensure the security of assets and personal data.

We are already delivering on much of our financial wellness vision. And, we will continue to pursue a three-part strategy reinforcing that vision focused on fiduciary solutions, wealth management technology, and data analytics. Regardless of regulatory mandates, we believe the industry shift to fiduciary solutions will continue unabated, driven by investor preferences. Enhancing wealth management remains a core objective in our strategy. And, we are confident that data analytics will be essential to developing smart solutions for advisors and for reaching a large and growing addressable market.

The Value of Advice

Financial advice has evolved in dramatic ways, spurred by investor demand and technological advances. Successful advisors today do not simply manage investments—they provide comprehensive advice that encompasses the five main pillars of financial wellness. At the same time, advisors need to meet the digital expectations of their clients, especially younger ones. By equipping advisors with actionable financial wellness tools, Envestnet helps them engage clients across digital channels and bring together all of the important aspects of financial wellness.

While technology will become increasingly important, we believe human expertise, combined with technology and superior processes, delivers better outcomes than humans or technology alone. Considerable independent research supports this view. Great technology enables advisors to be more effective and efficient because it allows them to focus on what they do best—providing advice and counsel.

The Value of Data

If financial wellness is a living, dynamic ecosystem, then data is the oxygen that activates and enriches everything. Our Financial Wellness Network is more than a collection of disparate parts but rather a vibrant, harmonious whole in which data, software, and services work together. This integration helps advisors and enterprises realize the rich potential of their data, leveraged to deliver superior intelligence that drives better outcomes.

Importantly, we ensure data and data aggregation are actionable. For example, data powers our client portal, providing investors with an up-to-date picture of where they stand financially and where they are headed. To assess their current situation, investors can monitor cash flow and expenses and view a continuously updated net worth report based on their investment portfolio and personal finance accounts such as checking, savings, and mortgage. To see where they are headed, investors can review their financial plan, monitor their progress on important goals such as retirement and college, and adjust their plan as needed. The portal also empowers advisors and their clients to take immediate action if they are lagging on goals by moving to a more appropriate investment solution.

Today, Envestnet connects to nearly 16,000 data sources, a resource that is tremendously powerful but also complex. To enable advisors and enterprises to better manage and leverage data, we are introducing “Envestnet Vision”—an enterprise data management solution that unlocks valuable insights for financial enterprises and advisors. Vision combines investment data, aggregated consumer data, analytics, and performance measurement that enable large financial institutions to better serve their clients.
It seamlessly organizes and securely “transports” this wide spectrum of data to be used in our various solutions and portals—advisor, enterprise, client, and manager—as well as for third party applications.

Looking forward, we will continue to focus on providing innovative data solutions powered by the industry-leading data aggregation and analytics capabilities of Envestnet | Yodlee. We made significant progress in leveraging these capabilities in 2017, including developing an award-winning client portal. Envestnet | Yodlee will be critically important for us as we increasingly leverage our data enrichment capabilities.

Strategic Opportunity—the Financial Wellness Network

Our growth has positioned us to develop a powerful operating system that brings together the diverse pieces comprising wealth management and empowers advisors and enterprises. This is a key step toward delivering on the promise of helping tens of millions of end clients achieve financial wellness.

Another important initiative for enhancing our network is “Open ENV,” our open architecture, end-to-end platform that provides more flexible and timely solutions for advisors and financial firms. Open ENV unifies the wealth management process and delivers a custom experience through our growing API library. Expanding and enhancing our Open ENV suite of APIs to support integrations with clients and partners will be an ongoing priority. We also plan to invest further in the five main pillars of financial wellness—specifically in the credit and protection areas—to realize the long-term growth opportunities we see.

FolioDynamix, an acquisition we completed in early 2018, enhances our Financial Wellness Network. In addition to increasing our footprint, FolioDynamix adds to our advisor value proposition by providing advanced trading capabilities. FolioDynamix also provides the added benefit of easing advisors’ transition from a transaction-oriented, commission-based client service model to a fee-based, fiduciary standard of care.

Looking Forward

In 2018, we will continue to expand and enhance our advice- and data-centric Financial Wellness Network. This is the culmination of a deliberate strategic evolution during the past 17 years as we’ve expanded our focus from investment management to wealth management to financial wellness.

The wealth management arena continues to be very much front and center for Envestnet. And we continue to extend our reach with the expanding opportunities offered by data aggregation, analytics, and financial wellness applications.

Going forward, we plan to expand our large and growing addressable market, leveraging our aggregation and analytics capabilities. We believe that as our volume of data aggregation and analytics increases, so will the value of that activity. All of this is in support of the overall goal of our smart system for financial wellness: to deliver better outcomes through better intelligence.

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

Sincerely,

Bergman

Judson Bergman
Chairman & Chief Executive Officer
Envestnet, Inc.

Financial Highlights

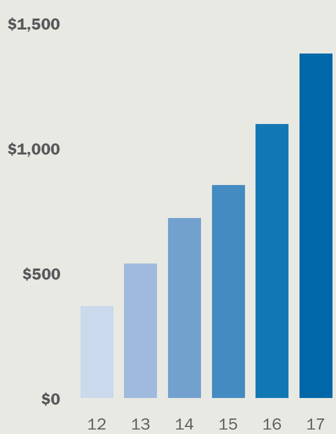
(in millions)	2017	as of December 31, 2016	% Change
Revenues	$ 684	$ 578	18%
Adjusted EBITDA	$ 129	$ 99	30%

Operating Metrics

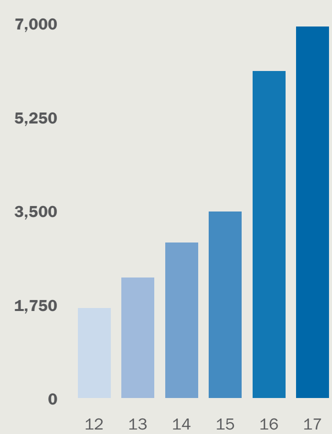
(in millions except accounts and advisors)	2017	as of December 31, 2016	2015
Assets			
Assets Under Management (AUM)	$ 141,518	$ 105,178	$ 92,559
Assets Under Administration (AUA)	308,480	241,682	197,177
Subtotal AUM/A	**449,998**	**346,860**	**289,736**
Subscription and Licensing	926,880	748,125	561,699
Total Platform Assets	**$ 1,376,878**	**$ 1,094,985**	**$ 851,435**
Accounts			
AUM	685,925	545,130	490,471
AUA	1,217,697	994,583	807,708
Subtotal AUM/A	**1,903,622**	**1,539,713**	**1,298,179**
Subscription and Licensing	5,027,900	4,558,883	2,176,068
Total Platform Accounts	**6,931,522**	**6,098,596**	**3,474,247**
Advisors			
AUM/A	40,485	36,483	33,775
Subscription and Licensing	19,445	17,852	13,553
Total Advisors	**59,930**	**54,335**	**47,328**

Note: Adjusted EBITDA is a non-GAAP financial measure. Please see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures" in our Form 10-K for the year ended December 31, 2017 for a reconciliation of Adjusted EBITDA to net income and related disclosures.

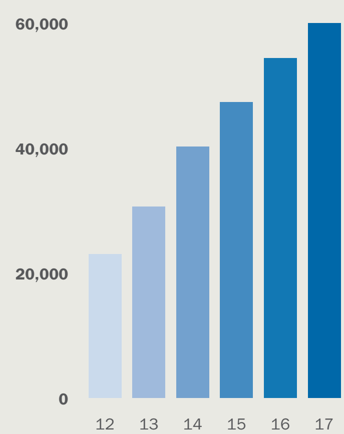
Total Platform Assets
(in billions)



Total Platform Assets
(in thousands)



Total Advisors



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 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 firm 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), a board member of Onek Financial (DBA Facet Wealth), 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 May 10, 2018, 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

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Brooklyn, NY 11219
www.astfinancial.com
800.937.5449

Ordering Additional Annual Reports

Envestnet's 2017 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 2017 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/2017.

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San Jose, CA
Seattle, CA
Secaucus, NJ
Trivandrum, India

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