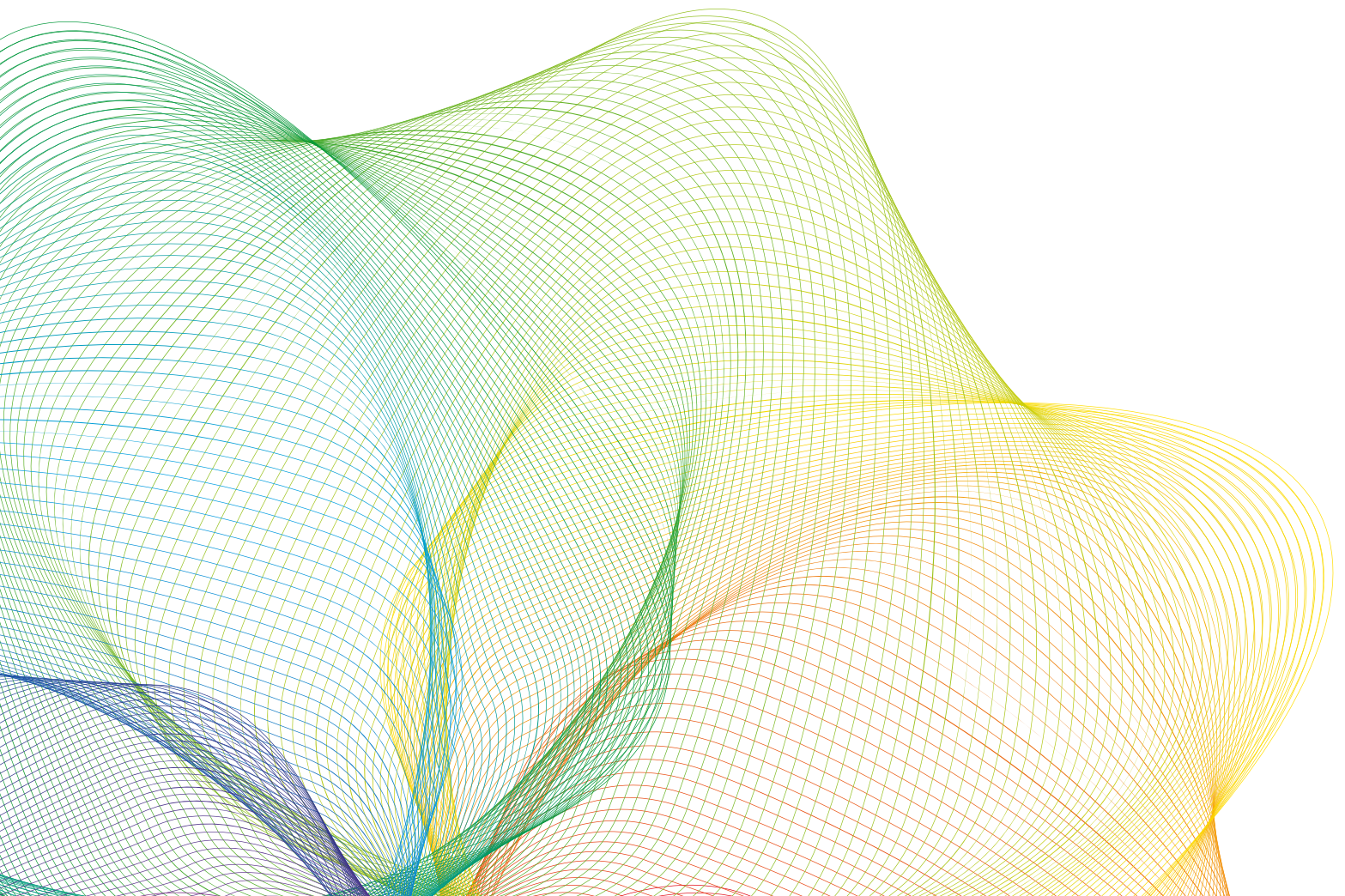




# Building the **Financial Wellness Network**

2018 Annual Report





## Fellow shareholders,

Envestnet enjoyed another year of strong, double-digit growth across numerous metrics, including revenue, adjusted earnings per share, and the number of advisors in 2018. Driven by both organic growth and acquisitions, we are in a unique position to continue building the financial wellness network, powered by our unified data and advice platform. Envestnet's wealth management operating system, unparalleled in the industry, enables enterprises and advisors to drive better financial outcomes and improve the lives of millions of investors. We firmly believe our growth and value creation opportunities have never been greater than they are today.

### 2018 Highlights

In 2018, total revenue rose 19% over 2017 to \$812 million, with equally robust growth in adjusted net income. At year's end, Envestnet served more than 3,500 enterprise clients and 96,000 advisors—a more than 40% increase from 2017—and we expect to exceed 100,000 advisors this year.

The company also saw strong gains in the number of investor accounts to more than 10.8 million, with over 26 million end clients, and advisor-supported assets increasing more than 60% to over \$2.7 trillion. This performance reflects continuing demand for the Envestnet platform from both large enterprises and independent registered investment advisors.

### Investments that Foster Innovation

Envestnet began in 2000 as a turnkey asset management platform, providing advisors with access to stocks, bonds, funds and managed accounts. In 2014, we made a decision to broaden our offering to a complete wealth management platform that was data-driven and planning-centric. Now, we have taken a leadership position in defining “financial wellness” and building a wealth-tech ecosystem that empowers advisors to deliver comprehensive financial advice.

Envestnet is committed to helping firms, advisors, and their clients achieve better financial outcomes. We know our clients win when they deliver value across all elements of financial wellness, beginning with Financial Planning and including Budgeting, Investing, Managing Credit and Protecting Capital. This distinctive and fuller view of

Financial Wellness drives the investments we've made over the course of 2018 and into the first quarter of this year, in each of the five key elements, fueling both short- and long-term growth opportunities—for us and for the advisors we serve.

- **Financial Planning:** In March 2019, Envestnet announced plans to acquire PIEtech, creator of MoneyGuide financial planning applications. Acquiring an industry leader in goals-based financial planning accelerates fulfillment of our vision for enabling Financial Wellness. This move comes on the heels of announcing our collaborative partnership with Apprise Labs and PIEtech earlier this year. Apprise Labs is developing a transformative advisor and client collaboration tool, addressing tax-management and legacy and estate planning. These new capabilities will greatly expand our Logix financial planning solutions and empower advisors to deliver more comprehensive plans and broader advice.
- **Budgeting and Personal Financial Management:** In May 2018, Envestnet Yodlee unveiled two new financial wellness applications and APIs, OK to Spend and AI FinCheck for financial institutions and FinTech innovators, to help consumers by dynamically monitoring their financial health and providing actionable guidance. Ok to Spend uses machine learning to understand consumers' recurring cash inflows and outflows and predict likely cash balances, helping them better manage their spending. AI FinCheck dynamically measures consumers' financial health, delivering personalized insights and guidance to help reach financial goals.

- **Investing:** In September 2018, Envestnet became one of the first companies to partner with TD Ameritrade and Schwab to streamline and fully digitize the account opening process, improving the onboarding experience for both advisors and their clients.
- **Managing Credit:** In early 2019, we established a partnership with Advisor Credit Exchange to integrate lending services via single sign-on access to the Envestnet platform, enabling advisors to expand their offerings and enhance this pillar of financial wellness through our suite of services. This solution is expected to be fully integrated into our platforms in fall 2019.
- **Protecting Capital:** In 2018, we introduced the Envestnet Insurance Exchange, Envestnet iX, a program that integrates insurance solutions into the wealth management process on the Envestnet platform, further streamlining advisors' ability to deliver the full lifecycle of advice to clients. It is now in pilot with a robust lineup of six major carriers with plans for a broad-market release in June 2019.

As a fully integrated suite of solutions, our unified data and advice platform enables advisors to achieve better financial outcomes and to drive improved productivity that allows them to grow their customer base. As our clients grow, so does Envestnet.

Envestnet's innovations across the five elements not only serve to benefit advisors and their customers, but also to deliver solutions for the advisors' enterprise. In May 2018, we debuted Envestnet Vision, our new enterprise data management solution, which seamlessly aggregates, reconciles and enriches data from multiple systems. Vision enables better and faster decision-making for firms and their clients, to not only provide actionable insights for clients, but also to stay competitive and gain market share.

To foster greater innovation and collaboration, we have organized the company into two business units from four. Envestnet Wealth Solutions, led by Bill Crager, focuses on innovation and market growth of our wealth management solutions, which serve registered investment advisors (RIAs), independent broker dealers, banks, and other financial institutions. Envestnet Data & Analytics, led by Stuart DePina, focuses on continued development of our data aggregation, enterprise data management, and analytics offerings that support the company's wealth management, financial institution, and FinTech customers, offered through the Envestnet Yodlee platform. This alignment better positions our company to fulfill our vision for enabling Financial Wellness.

## Acquisitions and Alliances

We continue to strengthen our Financial Wellness network through organic growth, enhanced relationships with enterprises, advisors, and network partners, entering into new alliances and pursuing complementary acquisitions. As we deepen client relationships and add new ones, we expand the number of participants in our financial wellness network, strengthening our competitive advantage and enhancing our network effects for the benefit of our clients. Several noteworthy highlights include:

- In 2018, we announced a partnership with BlackRock, Inc., to drive the transformation of the wealth industry through the evolution of tech solutions. This partnership strengthens the capabilities of both companies to provide a framework for a more digital and comprehensive future of financial advice. As part of this strategic partnership, BlackRock also invested approximately \$125 million of its own funds to acquire an equity stake of approximately 4.9% in Envestnet.
- The acquisition of Abe AI enables Envestnet Yodlee's new Conversational AI, improving the way financial service providers can interact with their consumers. We now enable them to connect directly across all major conversational systems, including Amazon Alexa and Google Assistant. Technology continues to transform the way investors seek advice and information.
- Our recent acquisition of PortfolioCenter, Charles Schwab's portfolio management and reporting technology solution, allows us to provide an even higher level of service to independent RIAs with our open wealth-tech ecosystem. We have a solid history of innovation with advisor portfolio management solutions, and this acquisition is another example of how we enhance our integrated technology platform for client firms.
- The addition of MoneyGuide, through our acquisition of PTEch mentioned earlier, further broadens and enhances our integrated wealth management platform, supporting our vision for enabling Financial Wellness. With MoneyGuide's financial planning applications more deeply integrated into Envestnet's wealth management solutions, enterprises, advisors and their clients can benefit from a frictionless experience, driving higher productivity and better outcomes.

Strategic acquisitions are accelerating Envestnet's growth strategy in a number of ways: expanding our network partners makes our dataset richer; facilitating business and technology benefits from complementary capabilities; improving our product offerings; and expanding our addressable markets.

### Integrated Technology

Our open-architecture wealth-tech applications allow enterprises and advisors to further leverage and integrate technology into their practices, freeing up more time for them to spend with clients. Our unified platform offers our clients choice yet retains the benefits of

full integration across the entire stack of wealth-tech applications, including data aggregation and analytics, financial planning, investment solutions, portfolio management, rebalancing, reporting, digital advice, client portals, and clearing and custody.

Our offerings enable unmatched breadth and depth of fiduciary solutions, wealth management technologies and services, and data and analytics capabilities. These can be either integrated in smart, expert-led systems, accessed via our open APIs, or unbundled to meet a wide range of customer needs.

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## The Opportunity Ahead

As we approach our 20<sup>th</sup> anniversary in 2020, we expect to continue to expand our business through implementation of a number of growth strategies:

First, we continue to evolve our focus from being the number one platform in wealth management to building the leading financial wellness network, powered by our unified data and advice-centric operating system.

Second, we are capitalizing on our new organizational structure, enhancing our ability to meet evolving market imperatives, to drive further growth.

Finally, we are expanding into new markets through the initiatives outlined earlier: strategic integrations with leading firms; building out advanced analytics and data science that drives actionable intelligence and better financial outcomes; and making disciplined acquisitions that create value for our financial advisors, their clients, and our shareholders.

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 your support. We will continue to do all we can to earn your ongoing trust and confidence.

Sincerely,



Jud Bergman, Chairman & Chief Executive Officer, Envestnet, Inc.



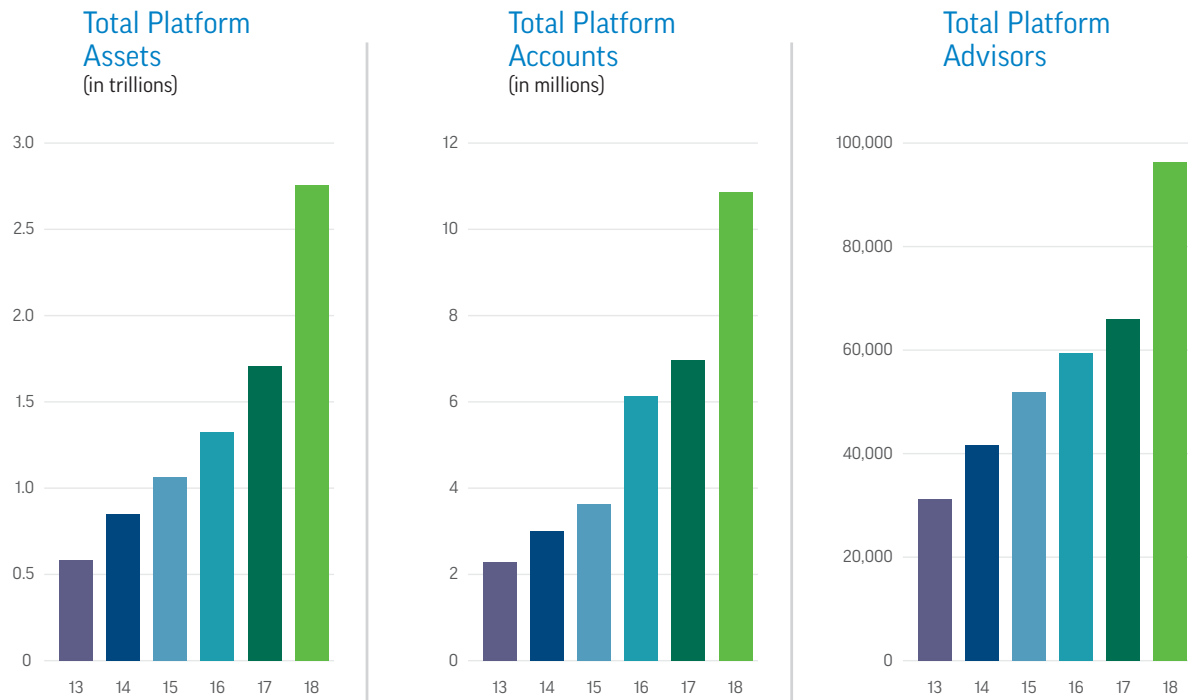
# Financial Highlights

(in millions)	for the year ended December 31,			
	2018	2017		% Change
Revenues	\$ 812	\$ 684		19%
Adjusted EBITDA	\$ 158	\$ 129		22%

## Operating Metrics

	2018	as of December 31, 2017	2016
<b>Platform Assets</b> (in millions)			
Assets Under Management (AUM)	\$ 150,591	\$ 141,518	\$ 105,178
Assets Under Administration (AUA)	291,934	308,480	241,682
<b>TOTAL AUM/A</b>	<b>442,525</b>	<b>449,998</b>	<b>346,860</b>
Subscription	2,314,253	1,253,528	978,344
<b>TOTAL PLATFORM ASSETS</b>	<b>\$ 2,756,778</b>	<b>\$ 1,703,526</b>	<b>\$ 1,325,204</b>
<b>Platform Accounts</b>			
AUM	816,354	685,925	545,130
AUA	1,182,764	1,217,697	994,583
<b>TOTAL AUM/A</b>	<b>1,999,118</b>	<b>1,903,622</b>	<b>1,539,713</b>
Subscription	8,865,435	5,054,015	4,596,984
<b>TOTAL PLATFORM ACCOUNTS</b>	<b>10,864,553</b>	<b>6,957,637</b>	<b>6,136,697</b>
<b>Advisors</b>			
AUM/A	40,103	40,485	36,483
Subscription	56,237	25,566	22,996
<b>TOTAL ADVISORS</b>	<b>96,340</b>	<b>66,051</b>	<b>59,479</b>

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, 2018 for a reconciliation of Adjusted EBITDA to net income 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 an undergraduate degree from Wheaton College.

## Anil Arora

Mr. Arora has served as a director of our Company since November 2015 and served as Vice Chairman of our Company and Chief Executive of Envestnet | Yodlee from November 2015 until February 2019. From February 2000 to November 2015 when Yodlee, Inc. was acquired by the Company, Mr. Arora was President and Chief Executive Officer and a director of Yodlee. Prior to joining Yodlee, from June 1998 to February 2000, Mr. Arora served in various positions with Gateway, Inc. Mr. Arora currently serves on the board of directors of Conagra Brands, Inc.

Mr. Arora received his MBA from the University of Michigan and received an undergraduate degree in business administration from Rockford College.

## Luis Aguilar

Mr. Aguilar has served as a director of our Company since March 2016. Mr. Aguilar was a 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 (subsequently merged with 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 (subsequently merged with Bryan Cave LLP).

Mr. Aguilar is a graduate of the University of Georgia School of Law, and also received a master of laws degree in taxation from Emory University. He had earlier earned an undergraduate degree from Georgia Southern University.

## Ross Chapin

Mr. Chapin has served as a director of our Company since 2001. Mr. Chapin retired in October 2018 as 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 from March 2014 and as a member of the Yodlee board of directors from July 2002 until November 2015, when Yodlee was acquired by the Company. Ms. Crowell served as an operational business consultant for Warburg Pincus LLC, a private equity firm, from June 2001 to January 2019.

Ms. Crowell received an undergraduate degree 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 served as Non-Executive Chairman of FundQuest, Inc. from September 2010 until December 2011 when FundQuest was acquired by the Company. Mr. Fox served as President and Chief Executive Officer of FundQuest from October 2005 until September 2010. Mr. Fox has over 30 years of senior executive experience with The BISYS Group, Inc. and First Data Corporation starting in 1989. Mr. Fox currently serves on two additional boards in different industries. He is a Director and Chairman of the Audit Committee of kgb, Inc. and a Director of Ultimus Fund Solutions, LLC. Mr. Fox has previously served as a board member of several public and private companies.

Mr. Fox 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 undergraduate degree in economics from the State University of New York.

## Valerie Mosley

Ms. Mosley was appointed to the Company's Board in October 2018. Ms. Mosley is the founder, and since June 2012 has been the chief executive officer, of Valmo Ventures, a company that creates, collaborates and invests in companies, assets and efforts that have significant potential to grow, profit and add value to society. Prior to becoming chief executive officer of Valmo Ventures, Ms. Mosley was Senior Vice President, Partner, Portfolio Manager and Investment Strategist at Wellington Management Company, LLP. Ms. Mosley also chaired the firm's Industry Strategy Group. As a member of several investment strategy groups, Ms. Mosley helped establish investment parameters to which team portfolio managers adhered. Ms. Mosley serves as a board member of Dynex Capital, Inc., as a trustee of the Eaton Vance mutual fund family and as a director of Progress Investment Management. Ms. Mosley also serves on several non-profit boards including the Investment Advisory Committee of the NY State Common Retirement Fund, among others.

Ms. Mosley received her MBA from the University of Pennsylvania and an undergraduate degree from Duke 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 Engines (and the related affiliates of Hellman & Friedman, which owns the majority of Edelman Financial Engines), as a board member of OneK Financial (DBA FacetWealth) and as a trustee for the SA Funds (where he chairs the Nominating & Governance Committee and serves on the Audit Committee). 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 an undergraduate degree 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 joining the University of Wisconsin-Milwaukee, 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. He is currently a Director and Vice Chairman of the Church Mutual Insurance Company and its subsidiary CM Vantage Specialty Insurance Company. He is also a board member of the University School of Milwaukee and the Milwaukee Symphony Orchestra. He served as a Trustee of the Milwaukee County Pension Fund in 2014 and 2015.

Mr. Smith is an honors graduate of both Princeton University, where he received an undergraduate degree, and The University of Chicago, where he received an MBA.

## Executive Officers

Judson Bergman, Chief Executive Officer and Chairman of the Board  
William Crager, President and Chief Executive of Envestnet Wealth Solutions  
Peter D'Arrigo, Chief Financial Officer  
Stuart DePina, Chief Executive of Envestnet Data & Analytics  
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 16, 2019 at 10:00 A.M. Central Time is in our proxy statement, which is also available online at [www.envestnet.com](http://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 company's address, by calling 312-827-3940 or emailing [investor.relations@envestnet.com](mailto:investor.relations@envestnet.com)

## Stock Transfer Agent and Registrar

American Stock Transfer & Trust Company, LLC  
620 115th Avenue  
Brooklyn, NY 11219  
[www.astfinancial.com](http://www.astfinancial.com)  
800-937-5449

## Ordering Additional Annual Reports

Envestnet's 2018 Annual Report may be obtained without charge by completing and submitting the form on our website or by contacting Investor Relations.

## Corporate Offices

Chicago (Headquarters)  
35 East Wacker Drive  
24th Floor  
Chicago, IL 60601  
Main: 866-924-8912  
Fax: 312-827-2801  
Email: [investor.relations@envestnet.com](mailto:investor.relations@envestnet.com)  
[www.envestnet.com](http://www.envestnet.com)

## Form 10-K

A copy of our Annual Report on Form 10-K for 2018 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/2018](http://www.envestnet.com/report/2018)

## Other office locations include:

Bangalore, India  
Berwyn, PA  
Boston, MA  
Denver, CO  
Orlando, FL  
Raleigh, NC  
Redwood City, CA  
Sacramento, CA  
San Jose, CA  
Seattle, WA  
Secaucus, NJ  
Trivandrum, India  
Tucson, AZ  
Worthington, OH

