2020 Annual Report

THE INTELLIGENT FINANCIAL LIFE™

ENVESTNET

Dear Shareholder,

At the beginning of 2020, we were looking forward to celebrating the 20th anniversary of our founding. Like everyone else, we had absolutely no idea just how extraordinary 2020 would be.

Despite a global pandemic, widespread unemployment, social unrest, economic volatility, and a Presidential election held in a polarized political climate, the consistent investment in our organization's service and support infrastructure enabled us to help our customers and employees navigate this challenging time. As both we and our clients worked remotely, we effectively managed a record volume of trade orders and advisor service requests, while growing as a company and improving client service.

- In 2020, we added a net 1.5 million accounts, completed 15 million service tasks, and executed 76 million individual trade orders.
- Despite the market headwinds at the beginning of the pandemic, Envestnet reported full-year adjusted revenues of nearly $1 billion ($999 million)—a 10% year-over-year increase from 2019. Adjusted EBITDA rose by 26% in 2020 to $243 million, and adjusted net income per diluted share was 20% higher than last year.
- As of December 31, 2020, the Envestnet platform now supports more than 106,000 financial advisors, 13 million investor accounts, and more than $4.5 trillion in assets. The firms that rely on our solutions include 17 of the 20 largest U.S. banks, 47 of the 50 largest wealth management and brokerage firms, more than 500 of the largest registered investment advisers (RIAs), and hundreds of financial technology companies.
- Interest in impact investing strategies continues to increase—and Envestnet remains committed to providing advisors and their clients with access to institutional-quality, customizable impact investment approaches. As of December 31, 2020, the Envestnet platform included more than $20 billion in impact assets under management or administration, utilized by upwards of 17,000 advisors.
- As a testament to our virtual infrastructure's capability to seamlessly accommodate employees and clients—and as a testament to our supportive working environment, our employee benefits, and our client- and community-focused culture—Envestnet was named one of the "Best Fintechs To Work For" by Arizent, the publisher of *American Banker* and *Financial Planning magazine*.

We have the scale and infrastructure to continue our growth. During 2020, we took steps to position ourselves to support this ongoing expansion by complementing the incredible talent inside our organization with other industry veterans who bring valuable perspective and experienced leadership. As we have begun implementing closer alignment among our divisions, Envestnet's executive and leadership teams will further streamline our organization to create a frictionless client experience.

Enhancing Our Financial Wellness Ecosystem

The wealth management tools, technology, and data-driven intelligence we provide to financial advisors are empowering Envestnet to become the financial wellness ecosystem driving the future of financial advice. We continue to make significant investments in this ecosystem so that advisors receive seamless technology experiences, data-driven intelligence, and a suite of comprehensive solutions to holistically connect their clients' financial lives.

For example, we expanded the selection of top insurance carriers and lenders whose products can be accessed by advisors on the Envestnet Insurance Exchange and Envestnet Credit Exchange, respectively. We also announced we partnered with Dynasty Financial Partners to create the Advisor Services Exchange, offering advisors enhanced tools and services to help build and grow their practices. And, we recently launched the Envestnet Trust Services Exchange, enabling RIAs and broker-dealers to utilize trust accounts for facilitating the efficient, seamless transfer of wealth between generations.

In addition, we continued to strengthen our unique data engine to create better intelligence, insights, and guidance that can help advisors improve client recommendations and outcomes. As of December 31, 2020, our consumer financial data aggregation capabilities comprised 17,000 data sources, 35 million users, and 470 million connected accounts—which grew by 62 million last year. Our software created a beneficial financial planning experience for nearly 3 million households in 2020, further demonstrating how we and our customers are improving the financial lives of millions of people.

We can connect data from a consumer's daily financial transactions with our financial planning capabilities, which we have broken down into powerful, focused financial apps that are tied into a financial strategy. All it takes for advisors to execute on it is a single click. By the end of this year, we will have completed the rollout of an enhanced client portal which will position advisors and firms to offer this integrated financial future—a hyper-personalized, intelligently connected, and frictionless experience that consumers can access whenever they decide they need it.

Helping advisors stay one step ahead of where they need to be is nothing new for Envestnet. We have been at the forefront of revolutionizing how financial advice is defined and delivered since our establishment 20 years ago.

We started out as a turnkey asset management platform (TAMP), and later launched the first unified managed account (UMA), dramatically improving how advisors can optimize asset allocation and tax efficiency within client portfolios. Then, we evolved into an integrated wealth management and unified advice platform, allowing advisors to deliver holistic, data-driven, and planning-centric advice that can improve outcomes and help clients achieve financial wellness.

Now, Envestnet has evolved yet again into a financial wellness and personal finance ecosystem. By building on the capabilities we offer today, we are poised to become the core long-term essential provider helping the wealth management industry connect people much more powerfully to their money. Our mission to make financial wellness a reality for everyone hasn't changed—all that has changed is the business we've built to accomplish this goal. In 2021, we will empower advisors to use these intelligent connections in ways they and their clients have never experienced before.

The Way Forward: How Our Ecosystem Powers The Intelligent Financial Life™

Life is changing in so many ways, causing trends that have been emerging in recent years, such as the use of videoconferencing tools and other digital solutions enabling people to communicate and work remotely, to speed up. Consumers now expect to be able to quickly perform many more tasks within a hyper-personalized digital experience—everything from the delivery of groceries to opening and funding a new investment account.

Most of today's consumers have two distinct financial lives—how they interact with their money each day, and how they plan for their money into the future. They demand a seamless flow between these two distinct lives, backed up by expertise and digital engagement, so they can see the connection between what they're spending money on and the investments they're making for the future.

This is what the Envestnet financial wellness ecosystem we have been building is now positioned to bring to life. Our platform is an ever-adapting and ever-improving system of connections that consumers define the boundaries of, and can call upon when, where, and how they choose. No matter what question a consumer has, their advisor can utilize the Envestnet ecosystem's data and intelligence to answer the question, and automate a solution to be implemented.

As the consumer receives the answers, they can return to the ecosystem, connecting other parts of their financial lives as they find out more. This is how our financial wellness ecosystem will help consumers understand, measure, optimize, and connect their financial lives. And as Envestnet curates, connects, and orchestrates everything that can make an impact on a consumer's financial life, the consumer's advisor can reach deeper to do more and add value, and grow their practice.

In short, we are making it possible for advisors to deliver an interconnected experience that supports consumers completely, from today's spending to tomorrow's plans—fully linked, intelligent, and accessible—to help them make the best financial decisions, whether or not they are aware that they need it.

The opportunities to foster growth and strengthen value for all of the participants in our financial wellness ecosystem are extraordinary. At Envestnet, we are eager to broaden our reach into the market, gain access to millions of additional consumers, and increase our revenue and profitability as this new model takes off.

Envestnet's Pandemic Response

In the wake of COVID-19, Envestnet took proactive steps to assist and protect its employees, customers, and communities.

Protecting Our Employees

- We provided all employees with the necessities to work from home, including cyber-secure collaboration tools as well as equipment and supplies. Virtually all of our employees worked from home during the pandemic in 2020.
- We supported employees by organizing regular communication sessions led by executive management, and featuring medical professionals and other helpful guest speakers.
- We provided health and wellness resources and medical benefits to employees, covering the costs of testing, hospitalizations, and member copays and deductibles related to COVID-19.
- To ensure employees can safely return to our offices when they are ready, we implemented location-specific, back-to-office plans which incorporate guidance from the CDC and OSHA and take local regulations/ordinances into consideration.

Helping Our Communities

- To give more Americans and communities access to financial planning tools for navigating the pandemic, we offered complimentary access to MyBlocks™ from Envestnet | MoneyGuide.
- In response to the impact of widespread school closings on students' accessibility to educational resources, Envestnet provided the clients and families of its advisor customers with complimentary access to the digital financial literacy courses it developed in partnership with EVERFI, Inc.—plus 20 other digital courses developed by EVERFI for K-12 students.

Supporting Our Customers

- Envestnet | Yodlee launched an interactive COVID-19 spending tracker, a digital tool providing advisors with insights on American consumer spending and saving trends during the pandemic.
- To help advisors understand the pandemic's far-reaching impact on the wealth management industry, and the steps they can take to adapt, Envestnet published *The Advisor's Playbook for Leading Your Clients Forward* (www.envestnet.com/leading-clients-forward).
- Envestnet organized the first-ever Envestnet Advisor Summit On-Demand (www.envadvisorsummit.com) offering a digital multimedia resource center with more than 50 engaging videos and other content covering how advisors can help clients achieve financial wellness at this time. Summit On-Demand keynote speakers included BlackRock Chairman and CEO Larry Fink.

Corporate Social Responsibility: Doing Well By Doing Good

Our vision and strategy centers around connecting consumers' financial lives in order to make financial wellness accessible for all. By creating the ecosystem that delivers The Intelligent Financial Life™ we are leading the way in empowering financially underserved communities. At Envestnet, we take our responsibility to be a good corporate citizen, by making a positive impact in the lives of our employees and in our communities, very seriously.

- On April 1, 2020, we became a signatory of the Principles for Responsible Investment, affirming our commitment to improving the world through sustainable investing.
- Envestnet continues to invest in its Charitable Giving Committee (Envestnet Cares) by partnering with non-profit community organizations to support education and assist families in need. In November 2020, Envestnet selected Philadelphia-based Project HOME as its Signature Impact Partner, pledging $250,000 over the next five years to help fight poverty and homelessness.
- Envestnet has partnered with EVERFI, Inc., a global social impact education innovator, to develop and sponsor two digital financial literacy courses—one for high school students, and one for elementary school students. This financial literacy program, Envestnet Institute in Classrooms, created as part of an Envestnet Cares initiative, gives schools in underserved communities free access to digital coursework designed to help students develop healthy financial behaviors and decision-making skills. So far, the initiative has been adopted by 21 schools in Chicago, Philadelphia, Richmond, and Seattle, and has made an impact on nearly 600 students.
- Our Women's Initiative Network, supported by Envestnet's Manager of Diversity and Inclusion, continues to provide women with the tools, training, and networking connections to advance in their careers, and build a platform for them to succeed. The Women's Initiative Network strives to empower and educate women of all ages and backgrounds, both internally at Envestnet and in our communities.
- Envestnet Institute On Campus celebrated its five-year anniversary last year, with 4,257 students from 43 participating colleges and universities having completed the online asset and wealth management career-training program as of December 31, 2020. The graduates include 1,315 minorities (men and women).
- Envestnet teamed up for the second year in a row with the CFP Board Center for Financial Planning to provide scholarships to aspiring financial planners from populations underrepresented in the financial planning profession—and especially women and people of color—who are pursuing the Certified Financial Planner™ certification. In 2020, the Envestnet Scholarship Program awarded 20 scholarships of $5,000, up from 11 in 2019.

For more information, please visit www.envestnet.com/CSR.

The Long-Term Opportunity Ahead

I was humbled and honored to become CEO of Envestnet last year, and I could not be prouder of the Envestnet organization I am privileged to lead. The employees, customers, and partners who power our ecosystem are part of something that will make financial wellness a reality for so many more American families, at a time when financial peace of mind is more important than ever.

The age of the intelligent, connected financial life is coming. We are uniquely positioned to rally our industry to empower consumers in six ways:

- Integrate financial education initiatives to help consumers achieve financial balance.
- Break down industry silos to meet the spectrum of consumers' needs.
- Deploy artificial intelligence to reshape the way consumers manage their finances.
- Put connected financial lives into the pockets of consumers via mobile apps.
- Create scalable personalization for all end consumers.
- Empower financially underserved communities.

Envestnet is leading the way in meeting all of these objectives. Our ecosystem is empowering the new framework for financial services. We stand ready with an expanded strategic purpose, and a bold plan to capture the sizable opportunity before us.

Thank you for all of your support during what was an extremely trying year. I hope you, and your families and communities, remain safe and healthy—and that 2021 is a better year for all of us.

Sincerely,

Bill Crager
CEO

Financial Highlights

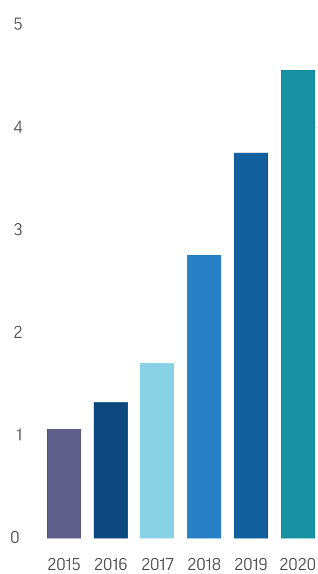
(in millions)		For the year ended December 31, 2020		2019	% Change
Adjusted Revenues	$	999	$	909	10%
Adjusted EBITDA	$	243	$	193	26%

Operating Metrics

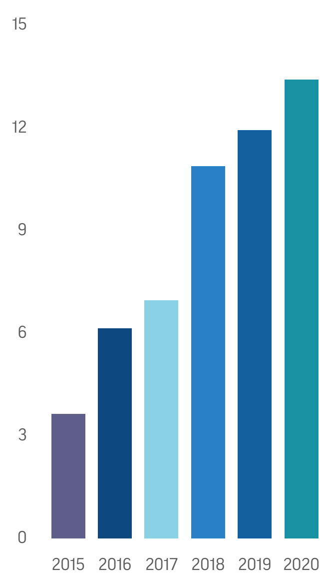
	As of December 31, 2020	2019	2018
Platform Assets (in millions)			
Assets Under Management (AUM)	$ 263,043	$ 207,083	$ 150,591
Assets Under Administration (AUA)	405,365	343,505	291,934
TOTAL AUM/A	**668,408**	**550,588**	**442,525**
Subscription	3,892,814	3,205,281	2,314,253
TOTAL PLATFORM ASSETS	**$ 4,561,222**	**$3,755,869**	**$2,756,778**
Platform Accounts			
AUM	1,073,122	935,039	816,354
AUA	1,276,975	1,193,882	1,182,764
TOTAL AUM/A	**2,350,097**	**2,128,921**	**1,999,118**
Subscription	11,079,048	9,793,175	8,865,435
TOTAL PLATFORM ACCOUNTS	**13,429,145**	**11,922,096**	**10,864,553**
Advisors			
AUM/A	41,206	40,563	40,103
Subscription	65,104	61,180	56,237
TOTAL ADVISORS	**106,310**	**101,743**	**96,340**

Note: Adjusted Revenues and Adjusted EBITDA are non-GAAP financial measures. 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, 2020 for a reconciliation of Adjusted Revenues to Revenues and Adjusted EBITDA to Net Income (Loss) and related disclosures.

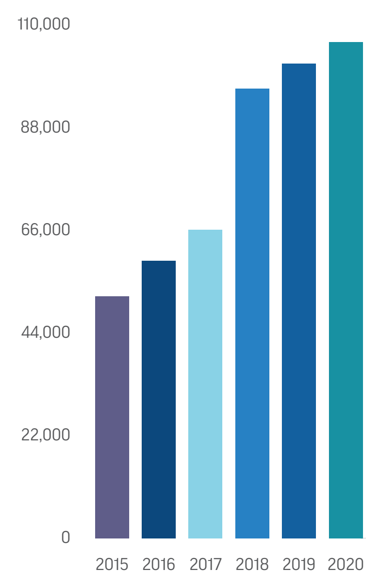
Total Platform Assets
(in trillions)



Total Platform Accounts
(in millions)



Total Platform Advisors



Board of Directors

James Fox (Chairperson)

Mr. Fox has served as a member of our Board since 2015 and Chairperson of the Board since March 2020. 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., First Data Corporation, eOne Global and PFPC. He serves as a director of Madison CF (UK) Limited, The Ultimus Group LLC and Yukon YC Holdings LLC. He also served as a director of Brinker Capital Holdings, Inc. from July 2015 until September 2020.

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.

William Crager (Chief Executive Officer)

Mr. Crager serves as our CEO. Previously, Mr. Crager served as our Interim CEO between October 2019 and March 2020, Chief Executive of Envestnet Wealth Solutions since January 2019, and President of Envestnet since 2002. Prior to joining us, Mr. Crager served as Managing Director of Marketing and Client Services at Rittenhouse Financial Services, Inc., an investment management firm affiliated with Nuveen Investments. Mr. Crager received an MA from Boston University and a BA from Fairfield University, with a dual major in economics and English.

Luis Aguilar

Mr. Aguilar has served as a member of our Board 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), specializing in corporate and securities law. Mr. Aguilar's previous experience includes serving as the General Counsel, Head of Compliance, Executive Vice President and Corporate Secretary of Invesco, Inc. with responsibility for all legal and compliance matters regarding Invesco Institutional. While at Invesco, he was also Managing Director for Latin America and president of one of Invesco's broker-dealers. 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). He began his legal career as an attorney at the U.S. Securities and Exchange Commission.

Mr. Aguilar represented the Commission as its liaison to both the North American Securities Administrators Association and to the Council of Securities Regulators of the Americas. He also served as the sponsor of the SEC's first Investor Advisory Committee.

Mr. Aguilar serves as a director of Donnelley Financial Solutions, Inc. He has been a Principal in Falcon Cyber Investments, a firm focused on cybersecurity.

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.

Anil Arora

Mr. Arora has served as a member of our Board since November 2015. He served as Vice Chairman of our Company, and Chief Executive of Envestnet | Yodlee from November 2015 until February 2019. He previously served as President and Chief Executive Officer and a director 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., a computer hardware manufacturer which was acquired by Acer Inc. in October 2007, most recently as Senior Vice President, Gateway Internet and prior to that as Chief Marketing Officer with global responsibility for Gateway. From April 1995 to May 1998, Mr. Arora served in various positions for The Pillsbury Company, a subsidiary of General Mills, Inc. a manufacturer and marketer of branded consumer foods, including as Vice President, strategy and marketing for North America and vice president, general manager for Progresso. From June 1984 to April 1995, Mr. Arora served in various brand management and corporate strategy and operations roles for Kraft Foods Group, Inc., a manufacturer and marketer of leading branded consumer foods. Mr. Arora currently serves on the board of directors of Conagra Brands, Inc., a manufacturer of food products. Mr. Arora holds a MBA from the University of Michigan and an undergraduate degree in business administration from Rockford College.

Ross Chapin

Mr. Chapin has served as a member of our Board since 2001. In October 2018, Mr. Chapin retired 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 has an undergraduate degree from Denison University.

Gayle Crowell

Ms. Crowell has served as a member of our Board since March 2016. She served as a member of the Yodlee, Inc. board of directors from July 2002 until November 19, 2015, when Yodlee, Inc. was acquired by the Company, and as lead independent director of Yodlee, Inc. between March 2014 and November 2015. Ms. Crowell served as an operational business consultant for Warburg Pincus LLC, a private equity firm, from June 2001 to January 2019. From January 2000 to June 2001, Ms. Crowell served as president of Epiphany, Inc., a developer of customer relationship management software which was acquired by SSA Global Technologies, Inc. in September 2005. Ms. Crowell currently serves on the boards of directors of Pliant Therapeutics, a biotechnology company developing therapies for fibrotic diseases and Hercules Capital, a specialty finance company. Ms. Crowell received an undergraduate degree in education from the University of Nevada at Reno.

Valerie Mosley

Ms. Mosley has served as a member of our Board since October 2018. Ms. Mosley is CEO 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. Ms. Mosley was Senior Vice President, Partner, Portfolio Manager and Investment Strategist at Wellington Management Company, LLP, a money management firm. Ms. Mosley also chaired the firm's Industry Strategy Group, which took a long-term perspective to identify trends, headwinds, and tailwinds impacting various industries. 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 at Groupon, Inc., DraftKings and Eaton Vance Funds. Ms. Mosley received her MBA from the University of Pennsylvania and an undergraduate degree from Duke University.

Gregory Smith

Mr. Smith has served as a member of our Board since 2015. Mr. Smith currently is an Executive in Residence and Lecturer at the University of Wisconsin Milwaukee's Lubar School of Business. 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 was also a Director of its subsidiary CM Vantage Specialty Insurance Company until the formation of the holding company in 2020. 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. More recently, he has been recognized as a Board Leadership Fellow by the National Association of Corporate Directors.

Executive Officers and Corporate Information

Executive Officers

William Crager, Chief Executive Officer
Stuart DePina, President, Chief Executive of Envestnet Data & Analytics
Peter D'Arrigo, Chief Financial Officer
Shelly O'Brien, Chief Legal Officer, General Counsel and Corporate Secretary

Annual Meeting of Shareholders (Virtual Only)

Information about the Envestnet Annual Meeting of Shareholders on May 12, 2021 at 10:30 a.m. 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
6201 15th Ave
Brooklyn, NY 11219
www.astfinancial.com
800-937-5449

Ordering Additional Annual Reports

Envestnet's 2020 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
www.envestnet.com

Form 10-K

A copy of our Annual Report on Form 10-K for 2020 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/2020

Other office locations include:

Bangalore, India
Berwyn, PA
Denver, CO
Raleigh, NC
Richmond, VA
Seattle, WA
Trivandrum, India