



INVESTNET

GATEWAY TO FINANCIAL WELLNESS

2019 Annual Report



Fellow shareholders,

Envestnet had an extraordinary year in 2019. Our commitment to innovation led to greater adoption of our unified advice platform, resulting in the continued growth of the financial wellness network we are building. Intelligent data is fueling this transformation, enabling advisors to broaden their definition of advice and provide even greater value to their investor clients.

Our year was also marked by tragedy. In October, our founder and dear friend, Jud Bergman, died suddenly in a terrible automobile accident. We have taken time to grieve, and we have also strengthened our resolve to execute on the vision we have been forging since we began the company. With Jud's eternal spirit, we will continue to drive the future of advice that helps families achieve their important financial goals. Our mission is clear and our purpose is true.

The year ahead in 2020 is not just another year—it marks our 20th anniversary. Much has changed over the past two decades, we have consistently embraced innovation to stay one step ahead of where advisors need to be. Having already completed the transition from turnkey asset management offering to unified advice platform, we are uniquely positioned to power the next phase of advice.

Now, more than ever, advice is vital for navigating clients through periods of extreme volatility and uncertainty. In the years ahead, we will remain focused on launching technology and services to help advisors expand their definition of advice and provide greater value to their clients, with the ultimate goal of improving the financial lives of millions of people across the country.

2019 Highlights

- Envestnet's total adjusted revenues in 2019 were \$909 million, a year-over-year increase of 12%. Our adjusted EBITDA rose by 23% in 2019 to \$193 million. We delivered \$2.15 in adjusted earnings per share, 12% higher than 2018.
- Envestnet achieved a key milestone in 2019, providing service to more than 100,000 advisor clients. The steadily rising number of advisors and accounts on the Envestnet platform demonstrates the positive impact our financial wellness network is already making on everyday investors. In 2019, advisors grew 6%, accounts grew 10% to almost 12 million, and we ended the year with more than \$3.7 trillion in platform assets—up 36% from 2018. In addition, at year end, more than 4,700 enterprise clients, including 16 of the 20 largest U.S. banks and 43 of the 50 largest wealth management and brokerage firms, leveraged Envestnet technology and services.
- Another area where Envestnet continues to add value for advisors and their clients is investment management. As demand for impact investing and tax-smart investment strategies increased last year, the assets in our environmental, social, and governance (ESG) and tax overlay solutions grew by 74% over 2018 levels. We anticipate that awareness, and appreciation, of the access

we provide to a wide array of index-based, low-cost managed products will further increase this year, and throughout the new decade.

- We remained committed to integrating sustainability into our everyday actions to help generate long-term value for our shareholders, as well as the communities where our employees live and work. In 2019, we executed our social and environmental responsibilities in many ways, including the creation of a new industry standard of care for data, known as Data Stewardship. More information about our Corporate Social Responsibility practices is available at www.envestnet.com/CSR.

Acquisitions, Alliances & Integrations

- In 2019, Envestnet acquired the popular **MoneyGuide** family of financial planning applications, adding a crucial element to the unified advice our platform enables advisors to provide. Financial planning is a key gateway to bringing investors closer to financial wellness—our integration of MoneyGuide into our unified advice platform enables advisors to significantly strengthen their value for investors.

- The acquisition of MoneyGuide was also part of our strategic plan for building the premier financial wellness network. We acquired **Yodlee** in 2015, well before the wealth management industry began to understand the value of aggregated data in effectively serving clients. Now, aggregated data from more than 21,000 sources through Envestnet | Yodlee can be fed seamlessly into MoneyGuide financial plans, generating in-depth, actionable insights which add value on behalf of clients throughout the Envestnet ecosystem. In addition, Yodlee surpassed 25 million end users in 2019.
- In April 2019, Envestnet completed the acquisition of **PortfolioCenter**, Schwab Performance Technologies' portfolio management and reporting technology solution for independent RIAs. PortfolioCenter is now fully integrated alongside Tamarac Reporting®, Tamarac Trading®, and Tamarac CRM®, offering a cloud-based tool for helping emerging RIAs streamline their operations and improve client reporting. The acquisition of PortfolioCenter, and its integration with **Envestnet | Tamarac**, gives our unified advice platform the capability to empower RIAs of all sizes with immediate scalability and efficiency. More than 150 PortfolioCenter customers signed on for higher-value Tamarac offerings during 2019. We are also actively supporting the 1,000+ emerging RIAs utilizing PortfolioCenter's hosted offering.

Strategic partnerships and integrations with other innovative financial services and wealth technology providers also remain a vital aspect of our growth strategy. Envestnet established the following alliances and integrations last year:

- We teamed up with our new MoneyGuide colleagues and industry leading experts to launch **Apprise Labs**, a next-generation software tool adding information about clients' short-term cash flow and retirement expenses into financial plans in MoneyGuide. Apprise Labs further expands the definition of unified advice to encompass trust and estate planning as well as lifetime cash flow.
- We completed our proposal integration with **BlackRock**, allowing advisors to run the iRetire retirement planning tool, and then access clients' retirement goal details within the Envestnet proposal workflow. Furthermore, advisors using Envestnet's model management solutions can now analyze their portfolios in BlackRock's Advisor Center and export any changes back to the Envestnet platform.
- Tamarac announced that its digital account opening services are now widely available to independent RIAs through **TD Ameritrade Institutional and Schwab Advisor Services™**.

Fostering Innovation & Enhancing Technology

We made significant progress developing our financial wellness network in 2019, positioning us to effectively give advisors of all sizes the tools and intelligence to help their clients achieve financial wellness.

- After incorporating MoneyGuide into our unified advice platform in 2019, Envestnet launched **MyBlocks™**, a

MoneyGuide offering designed to simplify financial planning for investors. MyBlocks breaks down key financial planning topics into easy-to-understand "blocks," which clients can select and complete at their own pace. Each block can also feed information directly into a MoneyGuide financial plan. We are proud to have created an innovative solution to help advisors begin the difficult financial planning conversation, by educating end consumers about different financial planning subjects as they begin the planning process.

- Fulfilling our mission to empower advisors to deliver better outcomes that improve all areas of their clients' financial lives, we launched the **Envestnet Insurance Exchange** in March 2019, providing advisors with seamless access to annuities and other insurance solutions from top carriers as part of a single, integrated financial wellness platform.
- In May 2019, we launched the **Envestnet Advisor Analytics** suite of solutions to enable advisors to intelligently utilize peer benchmarking and practice-level data to run their businesses more competitively and efficiently, and better monitor clients' investment goals and performance.
- In November 2019, we added five **Yodlee FinApps**—AI FinCheck, Cash Flow Analysis, Investment Holdings, Net Worth Summary, and OK to Spend—to MyBlocks, allowing clients to obtain a holistic picture of their wealth, including insurance and held-away assets, as they become familiar with financial planning topics and start building plans.
- To incorporate credit solutions into the advisor toolset, we recently unveiled the **Envestnet Credit Exchange**, offering access to a broad range of secured and unsecured financing options from top lenders.
- Last year's **Envestnet Advisor Summit** convened in Austin, Texas, and brought together more than 2,500 financial professionals from over 600 firms, making it our biggest Summit to date. Our annual Summit is the physical manifestation of our financial wellness network, where our partners as well as our current and prospective clients meet to learn from experts, and each other, how to broaden their unified advice and deliver financial wellness to investors.
- As part of our consistent embrace of innovation on behalf of advisors and their clients, we hosted our first global hackathon, known as **ENVathon**, in October 2019. ENVathon, which was run out of our offices in India and will become an annual event, brought together more than 500 Envestnet employees from around the world to ideate and design next-generation wealth management tools and technology. The solutions our employees developed together have led to enhancements for boosting productivity and improving the user experience across our unified advice platform, as well as updates to our financial planning tools. The Envestnet employees in our offices in Trivandrum and Bangalore, India continue to contribute a great deal to our ideation, innovation, and team-building efforts across our organization.



In Memoriam: Jud Bergman

Our Chairman and CEO, Jud Bergman, was a true visionary who founded Investnet 20 years ago with the mission to empower all financial advisors with the technology and intelligence to serve clients better and grow their businesses. As the nature of wealth advice evolved from product to platform, and now to network, Jud led the industry to meet the changing needs of advisors and their end clients.

We suddenly and tragically lost Jud last year. However, his commitment to advisors, and the investors who rely on them, lives on and remains at the heart of everything we do. We miss Jud dearly, and will continue to build the financial wellness network he envisioned.

Having had the tremendous fortune to have partnered with Jud over these last 20 years, I know very well who Investnet is and what we are capable of. I know the scope of the opportunity ahead of us, and I also know the conviction and resolve our company has to achieve it. I am humbled and honored to lead Investnet. We go forward with Jud's essential spirit.

The Year, and Decade, Ahead

As we enter our company's third decade, we see tremendous opportunities to invest in wealth management and data for our advisor customers and their end clients. Data will continue to fuel our financial wellness network, and tactically help advisors drive better financial outcomes for their clients.

Indeed, the 2020s started off strong for Investnet with our January announcement that we are teaming up with **Dynasty Financial Partners** to create an Exchange that will offer **Advisor Services**, set to officially launch later this year. This Exchange will provide advisors with access to growth capital, business management tools, marketing services, and outsourced CFO services—important capabilities to help advisors manage and grow their practices.

We have also rolled out **Investnet Cloud Services**, a consultative and managed service offering that enables enterprises and RIAs to seamlessly transfer their data and business operations to a cloud-based platform. Investnet Cloud Services also includes a data utility suite providing robust security, comprehensive data feeds, data enrichment and integration capabilities, advanced analytics, and portal enhancements to strengthen client engagement and advisor-directed outcomes. This offering is part of our effort to help enterprises and RIAs consolidate, manage, and optimize data across their organizations. Now more than ever, advisors need to be able to fully service clients and run their businesses in the cloud.

We are proud to lead the next transformation of advice to a financial wellness network. None of this would be possible without your support. We look forward to continuing to not only provide more value for advisors and their end clients, but also for you, our shareholders, in the coming years.

We appreciate your ongoing support, and we hope that you and yours stay safe and healthy. Investnet is closely monitoring developments with the COVID-19 pandemic, and is taking proactive measures to address the evolving situation and ensure business continuity. The health and well-being of our customers, employees, and other stakeholders—including our shareholders—remain paramount, and you are welcome to reach out to us with any questions or concerns during this time.

Thank you very much.

Sincerely,

Bill Crager
CEO

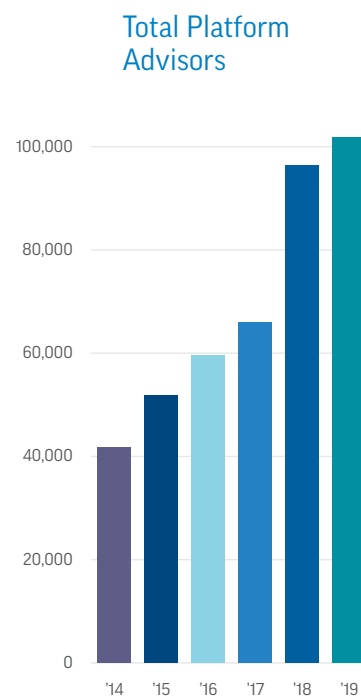
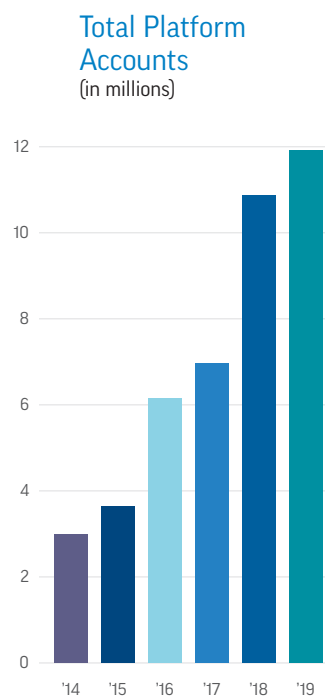
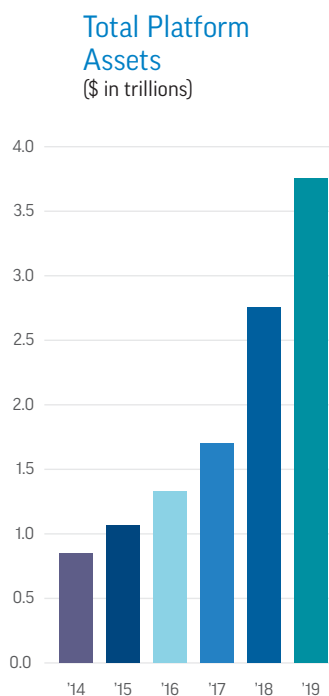
Financial Highlights

(in millions)	for the year ended December 31,		
	2019	2018	% Change
Adjusted Revenues	\$ 909	\$ 813	12%
Adjusted EBITDA	\$ 193	\$ 158	23%

Operating Metrics

	as of December 31,		
	2019	2018	2017
Platform Assets (in millions)			
Assets Under Management (AUM)	\$ 207,083	\$ 150,591	\$ 141,518
Assets Under Administration (AUA)	343,505	291,934	308,480
TOTAL AUM/A	550,588	442,525	449,998
Subscription	3,205,281	2,314,253	1,253,528
TOTAL PLATFORM ASSETS	\$ 3,755,869	\$2,756,778	\$1,703,526
Platform Accounts			
AUM	935,039	816,354	685,925
AUA	1,193,882	1,182,764	1,217,697
TOTAL AUM/A	2,128,921	1,999,118	1,903,622
Subscription	9,793,175	8,865,435	5,054,015
TOTAL PLATFORM ACCOUNTS	11,922,096	10,864,553	6,957,637
Advisors			
AUM/A	40,563	40,103	40,485
Subscription	61,180	56,237	25,566
TOTAL ADVISORS	101,743	96,340	66,051

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, 2019 for a reconciliation of Adjusted revenues to revenue and Adjusted EBITDA to net income (loss) and related disclosures.



Board of Directors

James Fox (Chairman)

Mr. Fox has served as a member of our Board since 2015 and Chairman 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. and First Data Corporation starting in 1989. He serves as a director of Madison CF (UK) Limited, Brinker Capital Holdings, Inc. and Ultimus Fund Solutions, LLC.

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.

Charles Roame (Vice Chairman)

Mr. Roame has served as a member of our Board since 2011 and Vice Chairman of the Board since March 2020. 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 own the majority of Edelman Financial Engines), as a board member of 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 2,400 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.

William Crager (CEO)

Mr. Crager serves as our Chief Executive Officer. Previously, Mr. Crager served as our Interim Chief Executive Officer 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, an investment firm exclusively focused on cyber security investment, since January 2016.

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., Dynex Capital, Inc., 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 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. 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
Peter D'Arrigo, Chief Financial Officer
Stuart DePina, President, Chief Executive of Investnet 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

Annual Meeting of Shareholders (Virtual-only)

Information about the Investnet Annual Meeting of Shareholders on May 13, 2020 at 10:00 a.m. Central Time is in our proxy statement, which is also available online at www.investnet.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 Investnet should contact Investor Relations at company's address, by calling 312-827-3940 or emailing investor.relations@investnet.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

Investnet's 2019 Annual Report may be obtained without charge by completing and submitting the form on our website or by contacting Investor Relations.

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Main: 866-924-8912
Fax: 312-827-2801
Email: investor.relations@investnet.com
www.investnet.com

Form 10-K

A copy of our Annual Report on Form 10-K for 2019 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.investnet.com/report/2019

Other office locations include:

Bangalore, India
Berwyn, PA
Boston, MA
Denver, CO
Raleigh, NC
Redwood City, CA
Richmond, VA
Seattle, WA
Trivandrum, India

