

Corbin Valuation

January 2011

Valuation Summary (\$mm)

Methodologies	Methodology Weightings	Value of 100% of Corbin
Actual Financials	50 %	
2010A EBITDA Multiple ¹	50 %	\$ 24.1
Projected Financials	50 %	
2011E EBITDA Multiple ¹	25 %	30.1
DCF Analysis ²	25 %	21.7
Weighted Average Value		\$ 25.0
Value of DSAM Share (50.02% of Corbin)		\$ 12.5
Tax Liability (30% Tax Rate)		3.8
Tax Liability Per Partner		\$ 1.9

Note: Per management, assumes de minimis excess working capital and no long-term debt.

1 Based on publicly traded comparables. 2010A financials based on latest estimate as of January 28, 2011 and expected to be finalized February 28, 2011

2 5-year DCF assuming 25% discount rate and 2% perpetuity growth rate. Discount rate used for Project Spartan was 27%

Market Multiples-Based Valuation (\$mm)

	Corbin					
	Public Comparables ¹	EBITDA	Implied Valuation			Adjusted Implied Valuation of 100%
Large Firm, Minority Basis			Less: Small Firm Discount ²	Plus: Control Premium ³		
2010 EBITDA	8.3 x	\$ 4.1	\$ 34.5	\$(15.6)	\$ 5.2	\$ 24.1
2011 EBITDA	7.5 x	5.8	43.0	(19.4)	6.5	30.1

Source: J.P. Morgan as of January 19, 2011. See page 4 for details.

1 Mean of 7 traditional asset managers

2 45.2% small firm discount. Calculated using a 25% discount rate for DCF valuation of a small firm vs. 15% discount rate for DCF valuation of a large firm. Small firm risk premium based on breakout of Ibbotsons 2010 10th decile companies

3 27.7% control premium, implied per 21.7% lack of control discount used in Project Spartan

DCF – Base Case (\$mm)

	2008A	2009A	2010A	2011E	2012E	2013E	2014E	2015E
EqP AUM	\$ 2,618	\$ 2,368	\$ 2,600	\$ 2,804	\$ 3,039	\$ 3,285	\$ 3,542	\$ 3,812
Net Flows	125	(652)	93	100	100	100	100	100
Returns (Net of Fees to Underlying Managers) ¹	(23)%	19 %	8 %	5 %	6 %	6 %	6 %	6 %
Management Fees (Net of IBE)	\$ 29.7	\$ 21.3	\$ 21.9	\$ 24.0	\$ 26.0	\$ 28.1	\$ 30.3	\$ 32.6
Incentive Fees	0.5	2.3	2.2	5.1	5.5	7.1	7.7	8.3
Net Revenues	\$ 30.3	\$ 23.6	\$ 24.1	\$ 29.1	\$ 31.5	\$ 35.2	\$ 38.0	\$ 40.9
% Growth	7.0 %	(22.1)%	2.4 %	20.7 %	8.2 %	11.7 %	7.9 %	7.6 %
Expenses								
Compensation and Benefits	\$ 14.2	\$ 14.1	\$ 12.0	\$ 14.6	\$ 15.1	\$ 16.2	\$ 16.7	\$ 17.2
% of Net Revenues (Implied for Historicals)	47 %	60 %	50 %	50 %	48 %	46 %	44 %	42 %
Occupancy	5.1	5.3	4.6	5.0	5.5	6.1	6.7	7.4
Reimbursement of Rent Expense	(2.8)	(1.2)	0.0	0.0	0.0	0.0	0.0	0.0
Fund Expenses	1.5	1.3	1.0	1.1	1.3	1.4	1.5	1.7
Marketing	1.0	0.5	0.4	0.4	0.4	0.5	0.5	0.6
Personnel / Recruiting	0.8	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Technology	0.7	0.4	0.3	0.4	0.4	0.4	0.5	0.5
Professional Services	0.6	1.2	0.9	1.0	1.1	1.2	1.4	1.5
Insurance	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Miscellaneous	0.3	0.7	0.6	0.6	0.7	0.8	0.8	0.9
Depreciation & Amortization	0.7	1.1	1.1	1.2	1.3	1.5	1.6	1.8
Total Expenses	\$ 22.4	\$ 23.6	\$ 21.1	\$ 24.6	\$ 26.2	\$ 28.3	\$ 30.1	\$ 31.8
EBITDA	\$ 8.6	\$ 1.1	\$ 4.1	\$ 5.8	\$ 6.7	\$ 8.4	\$ 9.6	\$ 10.8
EBIT	\$ 7.9	\$ 0.0	\$ 3.1	\$ 4.6	\$ 5.4	\$ 6.9	\$ 8.0	\$ 9.1
% Margin	26.1 %	0.1 %	12.6 %	15.6 %	17.1 %	19.6 %	20.9 %	22.1 %
Less: Local Taxes	\$(0.5)	\$(0.4)	\$(0.3)	\$(0.1)	\$(0.2)	\$(0.3)	\$(0.3)	\$(0.4)
Less: Taxes on Distributions	(3.2)	0.2	(1.2)	(1.9)	(2.2)	(2.9)	(3.3)	(3.8)
Distribution Tax Rate	43.2 %	43.2 %	43.2 %	43.2 %	43.2 %	43.2 %	43.2 %	43.2 %
Add: Depreciation & Amortization	\$ 0.7	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.3	\$ 1.5	\$ 1.6	\$ 1.8
Less: Capex	(7.6)	(0.3)	(0.3)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Free Cash Flow	\$(2.6)	\$ 0.6	\$ 2.3	\$ 2.9	\$ 3.5	\$ 4.4	\$ 5.1	\$ 5.9
% Margin	(8.7)%	2.4 %	9.7 %	10.1 %	11.0 %	12.6 %	13.5 %	14.4 %
% Growth	(157.1)%	(121.5)%	311.1 %	25.6 %	18.0 %	27.7 %	16.2 %	14.8 %

PV of FCF – 5-Yr

Discount rate		
15.0 %		\$ 15.0
25.0 %		12.2
35.0 %		10.2

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PV of Terminal Value – 5-Yr

Perpetuity rate		
1.0 %	2.0 %	3.0 %
\$ 22.7	\$ 24.7	\$ 27.0
9.1	9.6	10.1
4.5	4.7	4.9

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Firm Value – 5-Yr

Perpetuity rate		
1.0 %	2.0 %	3.0 %
\$ 37.7	\$ 39.7	\$ 42.0
21.3	21.7	22.3
14.7	14.9	15.1

Note: Assumes 1% management fee, 5% incentive fee and annual expense (excluding compensation and benefits) growth rate of 10%.

1 2011 estimated return reflects impact of assets under high water mark

Appendix: Trading Comps (\$mm, except per share data)

	Share Price	Equity Market Value	Net Debt	Price to:		Price to:				Firm value to:			I/B/E/S Cash LTGR	2011E Cash P/E to LTGR		
				AUM	52-Week High	52-Week Low	2011E EPS	2011E Cash EPS	2012E Cash EPS	2012E Cash EPS	AUM	2010E EBITDA			2011E EBITDA	2012E EBITDA
Traditional managers																
Alliance Bernstein	\$ 21.84	\$ 6,058	\$(507)	\$ 484,300	62.4 %	101.6 %	12.1 x	11.6 x	11.3 x	10.9 x	1.2 %	8.1 x	8.3 x	7.4 x	8.0 %	1.5 x
Artio Global Investors	14.88	892	(23)	53,860	55.2 %	116.1 %	8.9	8.9	8.6	8.6	1.6 %	4.7	5.0	4.7	11.5 %	0.8
Federated Investors	26.44	2,721	98	341,277	95.2 %	132.1 %	14.6	13.5	13.0	12.1	0.8 %	8.5	8.0	7.4	8.0 %	1.7
Franklin Resources	118.02	26,637	(5,229)	644,900	94.4 %	140.5 %	14.4	14.3	12.7	12.6	3.3 %	9.2	7.8	6.9	11.0 %	1.3
GAMCO Investors	47.88	1,307	(358)	29,521	94.2 %	142.4 %	16.6	16.6	13.5	13.5	3.2 %	9.1	7.4	5.6	9.9 %	1.7
Janus Capital Group Inc.	12.95	2,413	292	160,800	82.4 %	150.1 %	14.4	14.4	12.3	12.3	1.7 %	8.8	7.6	6.7	8.0 %	1.8
Legg Mason	34.88	5,337	(35)	673,500	92.5 %	145.3 %	18.0	16.7	13.6	12.8	0.8 %	9.7	8.3	7.1	10.0 %	1.7
Mean					82.3 %	132.6 %	14.1 x	13.7 x	12.1 x	11.8 x	1.8 %	8.3 x	7.5 x	6.5 x	9.5 %	1.5 x
Median					92.5 %	140.5 %	14.4 x	14.3 x	12.7 x	12.3 x	1.6 %	8.8 x	7.8 x	6.9 x	9.9 %	1.7 x

Source: J.P. Morgan as of January 19, 2011.