HISTORICAL ORGANIZATION OF THE FINANCIAL SERVICES INDUSTRY

-----VENTURE CAPITAL---------INSURANCE COMPANIES---------COMMERCIAL BANKS---------INVESTMENT BANKS------MERCHANT BANKS---------PRIVATE CAPITAL----Real World Financing Operations = Creation of Financing Structures Financing Services -----> Build (or Buy) Advise & Support Capitalize Real Assets Inform Manage Design Build Promote (Fund) Sell Market Administer Market on financing financing financing instruments instruments financing instruments instruments instruments securities & investment process structure & financing = |₀ _ K (securities) (instruments) | $_{\mbox{\scriptsize D}}$ $_{\mbox{\scriptsize D}}$ $_{\mbox{\scriptsize D}}$ $_{\mbox{\scriptsize D}}$ E structure instruments Trade | _ _ _ E securities | _ _ 3 A | o o L | _{3 3} E | _o _ R Investing Services Investing Operations = Creation of Investing Vehicles Accumulate Advise & Capitalize Pool Keep

Liquidity Inform Manage Design Build Promote (Seed) Sell Funds Custody Manage

(save money) on investing investing portfolios portfolios portfolios portfolios portfolios of securities portfolios & portfolio process strategies participation management & &
& wealth/risk portfolios participation portfolios in of portfolios securities management ----COMMERCIAL BANKS--------INSURANCE COMPANIES--------MUTUAL FUNDS----------HEDGE FUNDS-----