

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 31, 2021

ASCENDANT DIGITAL ACQUISITION CORP.

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction
of incorporation)

001-39405
(Commission
File Number)

N/A
(IRS Employer
Identification No.)

**667 Madison Avenue
5th Floor**

New York, New York 10065
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (212) 209-6126

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Units, each consisting of one Class A ordinary share and one-half of one redeemable warrant	ACND.U	The New York Stock Exchange
Class A ordinary shares, par value \$0.0001 per share	ACND	The New York Stock Exchange
Redeemable Warrants, each whole warrant exercisable for one share of Class A common stock, each at an exercise price of \$11.50 per share	ACND WS	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Attached as exhibit 99.1 hereto and incorporated by reference herein is the updated investor presentation dated March 2021, that will be used by Ascendant Digital Acquisition Corp. (the “**Company**”) with respect to the proposed business combination (the “**Business Combination**”) between the Company and Beacon Street Group, LLC (“**BSG**”).

The information in this Item 7.01 and Exhibit 99.1 furnished hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “**Securities Act**”) or the Exchange Act, except as expressly set forth by specific reference in such filing.

Important Information About the Business Combination and Where to Find It

In connection with the proposed Business Combination, the Company filed a registration statement on Form S-4 with the SEC, which includes a proxy statement/prospectus, that will be both the proxy statement to be distributed to holders of the Company’s ordinary shares in connection with its solicitation of proxies for the vote by the Company’s shareholders with respect to the proposed Business Combination and other matters as may be described in the registration statement, as well as the prospectus relating to the offer and sale of the securities to be issued in the Business Combination. **The Company’s shareholders and other interested persons are advised to read the preliminary proxy statement/prospectus and, when available, the amendments thereto and the definitive proxy statement/prospectus and documents incorporated by reference therein filed in connection with the Business Combination, as these materials will contain important information about BSG, the Company and the Business Combination.** When available, the definitive proxy statement/prospectus and other relevant materials for the Business Combination will be mailed to shareholders of the Company as of a record date to be established for voting on the Business Combination. Shareholders of the Company will also be able to obtain copies of the preliminary proxy statement/prospectus, the definitive proxy statement/prospectus and other documents filed with the SEC that will be incorporated by reference therein, without charge, once available, at the SEC’s web site at www.sec.gov. In addition, the documents filed by the Company may be obtained free of charge from the Company’s website at www.ascendant.digital or by written request to the Company at Ascendant Digital Acquisition Corp., 667 Madison Avenue, 5th Floor, New York, New York 10065.

Participants in the Solicitation

The Company and BSG and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the Company’s shareholders in connection with the Business Combination. Information about the Company’s directors and executive officers and their ownership of the Company’s securities is set forth in the proxy statement/prospectus for the Business Combination. Additional information regarding the interests of those persons and other persons who may be deemed participants in the proposed transaction may be obtained by reading the proxy statement/prospectus for the Business Combination. You may obtain free copies of these documents as described in the preceding paragraph.

Forward-Looking Statements

This Current Report on Form 8-K contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed transaction between BSG and the Company, including statements regarding the benefits of the Business Combination, the anticipated timing of the Business Combination, the products and services offered by BSG and the markets in which it operates and BSG’s projected future results. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward-looking statements are predictions, projections, and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this Current Report on Form 8-K, including, but not limited to: (i) the risk that the

Business Combination may not be completed in a timely manner or at all, which may adversely affect the price of the Company's securities; (ii) the risk that the Business Combination may not be completed by the Company's business combination deadline and the potential failure to obtain an extension of the business combination deadline if sought by the Company; (iii) the failure to satisfy the conditions to the consummation of the Business Combination, including the adoption of the Business Combination Agreement by the shareholders of the Company, the satisfaction of the minimum trust account amount following redemptions by the Company's public shareholders and the receipt of certain governmental and regulatory approvals; (iv) the lack of a third-party valuation in determining whether or not to pursue the proposed transaction; (v) the occurrence of any event, change, or other circumstance that could give rise to the termination of the Business Combination Agreement; (vi) the effect of the announcement or pendency of the Business Combination on BSG's business relationships, performance, and business generally; (vii) risks that the proposed transaction disrupts current plans of BSG and potential difficulties in BSG employee retention as a result of the proposed transaction; (viii) the outcome of any legal proceedings that may be instituted against BSG or against the Company related to the Business Combination Agreement or the proposed transaction; (ix) the ability to maintain the listing of the Company's securities on a national securities exchange; (x) the risk that the price of the Company's securities may be volatile due to a variety of factors, including changes in the competitive and highly regulated industries in which BSG operates, variations in performance across competitors, changes in laws and regulations affecting BSG's business, and changes in the combined capital structure; (xi) the ability to implement business plans, forecasts, and other expectations after the completion of the proposed transaction, and identify and realize additional opportunities; and (xii) the risk of downturns in the highly competitive investment research industry. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of the Company's Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K and the registration statement on Form S-4 and proxy statement/prospectus discussed above and other documents filed by the Company from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and BSG and the Company assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Neither BSG nor the Company gives any assurance that either BSG or the Company will achieve its expectations.

No Offer or Solicitation

This Current Report on Form 8-K shall not constitute a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the Business Combination. This Current Report on Form 8-K shall also not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any states or jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of section 10 of the Securities Act, or an exemption therefrom.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation, dated March 2021.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ASCENDANT DIGITAL ACQUISITION CORP.

By: /s/ Mark Gerhard

Name: Mark Gerhard

Title: Chief Executive Officer

Dated: March 31, 2021

+63.45%

+32.69%

ACND + BSG

MANAGEMENT PRESENTATION



IMPORTANT INFORMATION

About this Presentation

This investor presentation (this "Presentation") is for informational purposes only to assist interested parties in making their own evaluation with respect to a proposed business combination (the "Business Combination") between Ascendant Digital Acquisition Corp. ("ACND") and Beacon Street Group, LLC (the "Company"). The information contained herein does not purport to be all-inclusive and none of ACND, the Company or their respective affiliates makes any representation or warranty, express or implied, as to the accuracy, completeness or reliability of the information contained in this Presentation.

This Presentation does not constitute (i) a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the proposed Business Combination or (ii) an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase any security of ACND, the Company, or any of their respective affiliates. You should not construe the contents of this Presentation as legal, tax, accounting or investment advice or a recommendation. You should consult your own counsel and tax and financial advisors as to legal and related matters concerning the matters described herein, and, by accepting this Presentation, you confirm that you are not relying upon the information contained herein to make any decision.

The distribution of this Presentation may also be restricted by law and persons into whose possession this Presentation comes should inform themselves about and observe any such restrictions. The recipient acknowledges that it is (a) aware that the United States securities laws prohibit any person who has material, non-public information concerning a company from purchasing or selling securities of such company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities, and (b) familiar with the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "Exchange Act"), and that the recipient will neither use, nor cause any third party to use, this Presentation or any information contained herein in contravention of the Exchange Act, including, without limitation, Rule 10b-5 thereunder.

This Presentation and information contained herein constitutes confidential information and is provided to you on the condition that you agree that you will hold it in strict confidence and not reproduce, disclose, forward or distribute it in whole or in part without the prior written consent of ACND and the Company and is intended for the recipient hereof only.

Forward Looking Statements

Certain statements in this Presentation may be considered forward-looking statements. Forward-looking statements generally relate to future events or ACND's or the Company's future financial or operating performance. For example, statements regarding anticipated growth in the industry in which the Company operates and anticipated growth in demand for the Company's products, and projections of the Company's future financial results and other metrics are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "potential" or "continue," or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by ACND and its management, and the Company and its management, as the case may be, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: the occurrence of any event, change or other circumstances that could give rise to the termination of negotiations and any subsequent definitive agreements with respect to the Business Combination; the outcome of any legal proceedings that may be instituted against ACND, the combined company or others following the announcement of the Business Combination and any definitive agreements with respect thereto; the inability to complete the Business Combination due to the failure to obtain approval of the shareholders of ACND, to obtain financing to complete the Business Combination or to satisfy other conditions to closing; changes to the proposed structure of the Business Combination that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining regulatory approval of the Business Combination; the ability to meet stock exchange listing standards following the consummation of the Business Combination; the risk that the Business Combination disrupts current plans and operations of the Company as a result of the announcement and consummation of the Business Combination; the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; costs related to the Business Combination; changes in or compliance with applicable laws or regulations; the possibility that the Company or the combined company may be adversely affected by other economic, business, and/or competitive factors; negative impacts on the Company's reputation; the Company's estimates of expenses and profitability; the evolution of the markets in which the Company competes; the ability of the Company to implement its strategic initiatives and continue to innovate its existing products; the ability of the Company to defend its intellectual property; the impact of the COVID-19 pandemic on the Company's business; and other risks and uncertainties set forth in the section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in ACND's registration statement on Form S-4 (File No. 333-254720).

Nothing in this Presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither ACND nor the Company undertakes any duty to update these forward-looking statements.

Financial Information; Non-GAAP Financial Measures

The financial information and data contained in this Presentation is unaudited and does not conform to Regulation S-X. Such information and data may not be included in, may be adjusted in or may be presented differently in the registration statement to be filed by ACND and the proxy statement/prospectus contained therein.

IMPORTANT INFORMATION

This Presentation also includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP") including, but not limited to, Adjusted CFO, Adjusted CFO Conversion, Adjusted Free Cash Flow, and Adjusted Free Cash Flow Margin and certain ratios and other metrics derived therefrom. The Company defines Adjusted CFO as net cash provided by operating activities plus profits distributions to Class B unitholders included in stock based compensation. The Company defines Adjusted CFO Conversion as Adjusted CFO minus capital expenditures divided by Adjusted CFO. The Company defines Adjusted Free Cash Flow as Adjusted CFO minus capital expenditures. The Company defines Adjusted Free Cash Flow Margin as Adjusted Free Cash Flow divided by Billings (i.e., amounts invoiced to customers). These financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flow from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies.

The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. For a reconciliation of these non-GAAP figures to the nearest measure determined under GAAP, please see the appendix to this Presentation.

This Presentation also includes certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included and no reconciliation of the forward-looking non-GAAP financial measures is included.

Use of Projections and Estimates

This Presentation contains financial forecasts for the Company with respect to certain financial results for the Company's fiscal years 2021 and 2022. The Company's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this Presentation. These projections are forward-looking statements and should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Company or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this Presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

Industry and Market Data

In this Presentation, ACND and the Company rely on and refer to certain information and statistics obtained from third-party sources which they believe to be reliable. Neither ACND nor the Company has independently verified the accuracy or completeness of any such third-party information.

Additional Information

ACND has filed with the SEC a registration statement on Form S-4 with the SEC, which includes a proxy statement/prospectus, that is both the proxy statement to be distributed to holders of ACND's ordinary shares in connection with its solicitation of proxies with respect to the proposed Business Combination and other matters as may be described therein, as well as the prospectus relating to the offer and sale of the securities to be issued in the Business Combination. This Presentation does not contain all the information that should be considered concerning the proposed Business Combination and is not intended to form the basis of any investment decision or any other decision in respect of the Business Combination. ACND's shareholders and other interested persons are advised to read, when available, the preliminary proxy statement/prospectus and the amendments thereto and the definitive proxy statement/prospectus and other documents filed in connection with the proposed Business Combination, as these materials will contain important information about the Company, ACND and the Business Combination. When available, the definitive proxy statement/prospectus and other relevant materials for the proposed Business Combination will be mailed to shareholders of ACND as of a record date to be established for voting on the proposed Business Combination. Shareholders will also be able to obtain copies of the preliminary proxy statement, the definitive proxy statement and other documents filed with the SEC, without charge, once available, at the SEC's website at www.sec.gov, or by directing a request to: ACND at 667 Madison Avenue, New York, NY 10065 or (212) 209-6126.

Participants in the Solicitation

ACND and its directors and executive officers may be deemed participants in the solicitation of proxies from ACND's shareholders with respect to the proposed Business Combination. A list of the names of those directors and executive officers and a description of their interests in ACND is contained in the proxy statement/prospectus contained in ACND's registration statement on Form S-4, which was filed with the SEC and is available free of charge at the SEC's web site at www.sec.gov.

The Company and its directors and executive officers may also be deemed to be participants in the solicitation of proxies from the shareholders of ACND in connection with the proposed Business Combination. A list of the names of such directors and executive officers and information regarding their interests in the proposed Business Combination is included in the proxy statement/prospectus contained in ACND's registration statement on Form S-4.

ASCENDANT WAS LOOKING FOR A GREAT ACQUISITION, IN THE ATTENTION ECONOMY

1	Significant and growing “attention economy” TAM	✓	\$191B TAM with significant tailwinds, ripe for disruption
2	Scalable, digitally delivered IP	✓	Market leading tech platform with scalable, high-value content, data & analytics
3	Large, thriving community	✓	10M+ self-directed investors, growing 78% from 2018 to 2020
4	Diversified product suite	✓	12 primary customer facing brands offering 160+ products
5	Best in class financial profile	✓	“Adjusted Rule of 50” ¹ financial profile - Scale + Growth + Recurring + Adjusted FCF ²
6	Experienced leadership team	✓	Deep, long-tenured & proven team
7	Sustained growth outlook	✓	Multiple organic & inorganic avenues to potentially drive sustained profitable growth at scale

1. Adjusted Rule of 50 equals annual GAAP Revenue Growth Rate plus Adjusted FCF Margin. Adjusted FCF Margin = Adjusted FCF / Billings

2. Adjusted FCF is calculated as Adjusted CFO (Cash Flow From Operations) - Capital Expenditures. Adjusted CFO is calculated as net cash provided by operating activities plus profits distributions to Class B unitholders included in stock based compensation expense



**INTRODUCING BEACON
STREET GROUP**

Founded with a mission to level the playing field for self-directed investors

Today we are a Leading Subscription Services Platform serving millions of self-directed investors

A diverse portfolio of operating brands serving as a trusted source for financial research, education and actionable ideas



BEACON STREET GROUP AT A GLANCE

A market leader in delivering high-value and actionable **financial research**, easy-to-use **technology**, as well as **financial education** and a **social connection** with world-class experts to help self-directed investors meet their financial goals

10M+
Digital
Platform
Members¹ at
12/31/20

850K+
Paid Digital
Subscribers at
12/31/20

\$759
Industry Leading
2020 ARPU²

\$549M
2020 Billings³
+77%
YoY Growth

24%
2020 Adjusted
Free Cash Flow
Margin⁴

99.8%
2020 Adjusted
CFFO Conversion⁵

1. Includes free and paid subscribers

2. Based on trailing four quarter net billings / average number of trailing four quarter paid subscribers

3. Billings represents amounts invoiced to customers

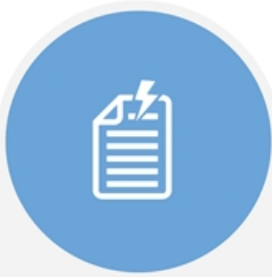
4. Adjusted FCF Margin = Adjusted FCF / Billings. Adjusted FCF is calculated as Adjusted CFFO - Capital Expenditures. Adjusted CFFO is calculated as net cash provided by operating activities plus profits distributions to Class B unitholders included in stock based compensation expense

5. Adjusted CFFO Conversion = (Adjusted CFFO - Capital Expenditures) / Adjusted CFFO

A digital graphic with a blue background. It features a central smartphone with a white outline. The background is filled with various business-related icons such as a globe, bar charts, pie charts, target symbols, and network diagrams. The text "BUSINESS OVERVIEW" is written in white, bold, uppercase letters across the middle of the smartphone screen.

BUSINESS OVERVIEW

KEY DRIVERS OF OUR SUCCESS



POWERFUL CONTENT PLATFORM

- Compelling content fosters relationships between readers and editors, creates customer loyalty and brand goodwill
- Insightful and engaging content drives conversion users from free to paid subscribers
- Focus on proven formula to launch & scale new products in a low-risk capital way



CUSTOMER FOCUS

- Customer centricity through every stage of a subscriber's journey
- Emphasis on developing long-term relationship with the subscriber
- Consistent 90%+ revenue retention



SCALABLE MODEL

- Industry-leading ROI on new customer acquisition
- Upsell to higher ARPU products with almost all of the upsell revenues falling to the bottom line



DATA / TECHNOLOGY

- Real-time campaign feedback, AI and rapid scalability
- Machine learning and advanced analytics drive increased upsell yield

FINANCIAL WELLNESS SOLUTIONS HAVE A HUGE TAM



1. As per BMO research report, October 2018

2. Represents an estimated 33.3% of the 63M U.S. self-directed investors (Celent, U.S. Self-Directed Market Study, 2019) x BSG's 2020 ARPU of \$759. The remaining 67% is believed to be covered in the Asset Managers and Financial Information market sizes

3. Reflects addressable market of asset management customers becoming self-directed investors, based off of management fees for 2019 global active core and active specialties per BCG Global Asset Management Research Report, 2020

4. Celent, U.S. Self-Directed Market Study, 2019; 63M represents Celent's estimate for 2020

5. Maia Research, 2015-2027 Global Self-Directed Investors Implications for Wealth Managers Industry Market Research Report, Segment by Player, Type, Application, Marketing Channel, and Region

"...the markets are no longer reserved for institutional investors or HNWI. The goal of democratizing the financial markets is becoming a reality"

CELENT



PERSONAL INVESTING IS CHANGING IN FAVOR OF BSG

AGING POPULATION

- 17% of U.S. population is 65+¹
- 10,000 Americans retiring every day, creating consistent demand velocity²

GROWING THE PIE

- 72% of millennials identify as self-directed investors³ (~\$22T of net worth)³
- Rise of self-directed 'Robinhood' investors provides huge future upside

VOLUME OF ACTIVITY

- Retail investors now represent ~20% of trading on any given day, up from ~10% in 2010⁴

COMPLEXITY

- Increasing number and complexity of investment instruments (e.g., ETFs, options, crypto, et al)

PERFORMANCE

- Individual investors have a 3-year return performance lag versus the S&P 500⁵

EDUCATION

- Increased emphasis on financial literacy - knowledge & skill to effectively manage wealth

1. Statista
2. Deutsche Bank
3. Deloitte study
4. Wall Street research
5. realinvestmentadvice.com

ACTIONABLE IDEAS

MONTHLY BRIEFING | JANUARY 2021

Portfolio Solutions

MAINTAINING MARGIN OF SAFETY IN AN UNSAFE INVESTING WORLD

BY AUSTIN ROOT

For each of your investments, what's your margin of safety?

As a subscriber to Stansberry Portfolio Solutions, you have access to many of our company's top publications. So that means you've likely seen the term used before by some of our sharpest analysts and editors. But have you really considered what it means?

Brilliant investor Seth Klarman explains it best in his 1991 opus, *Margin of Safety: Risk-Averse Value Investing Strategies for the Thoughtful Investor*.

Klarman may not be a household name, but he should be. Since founding his hedge fund, the Baupost Group, in 1982, he has produced one of the best investment track records of all time - always while making sure his investments had an appropriate margin of safety.

His book on the subject is one of my favorite investing reads ever. I encourage you to read it - if you can find a copy. The book has been out of print for decades, and the discount used over on Amazon (the one in yellow for

now is an important time to remember the value of having a margin of safety in our portfolios...

Despite the volatility 2020 proved to be a great year for most investors - and a great one for those following Portfolio Solutions recommendations. But I worry that the solid performance across most securities has given us a market with very little margin of safety. And that's something we must be cognizant of as we position our investment portfolios for the year ahead.

MY 2021 OUTLOOK

Here's my outlook for 2021 in one sentence...

I expect the markets to push higher this year, but they're highly vulnerable to a shock.

I'll explain how I arrived at that conclusion in a moment. But first, know that this macro viewpoint is one of the three critical components of how we'll position each of the

Forever Portfolio
Buy These 20 Stocks Today and Hold Them Forever!

SOFTWARE & TOOLS

TRADESMITH



THE ALTIMETER



BUILDING RELATIONSHIPS AND HELPING SUBSCRIBERS

MONTHLY BRIEFINGS | JANUARY 2021

Portfolio Solutions

MAINTAINING MARGIN OF SAFETY IN AN UNSAFE INVESTING WORLD

BY AUSTIN ROOT

For each of your investments, what's your safety?
As a subscriber to ScenicView Portfolio Solutions, you're likely one of the many who've seen the value of our research and analysis. We consider what it means.

EMPIRE

Investment Report

A 'FinTech' Solution for an Unexpected Corner of the Market

Millions invested in the market...
The origin of a major financial innovation that used even as a household name.
In 1982, he has produced one of the best groups, research, trends, and other things. From the City to the '90s, a significant portion of the stock market of all time - always while a country in the U.S. It's the home of David Coulter and his Mail room.

From, California, seems an unlikely place for a financial revolution to start...
The city is an agricultural hub right in middle of the Central Valley. With production of...
The origin of a major financial innovation that used even as a household name.
In 1982, he has produced one of the best groups, research, trends, and other things. From the City to the '90s, a significant portion of the stock market of all time - always while a country in the U.S. It's the home of David Coulter and his Mail room.

IN THIS MONTH'S ISSUE

Creating a household name

A national leader

Monthly Issues

He made me the subject in one of my first...
I encourage you to read it...
The bank has been one of the best in...
observed and over an Amazon only one.

On the other hand, local bank cards had no cash. This also...
balance of one case. However, they were based in their region...
were only willing to accept the credit from banks they knew.

The New Bull Market Outside of the Melt Up

STEVE LUGGARD
January 19, 2021 | 10:00 AM EST

Our Shot at Hundreds-of-Percent Gains in Just Three Years

Goldman Sachs has been trimming the fat in one...
key area of its business.
That might surprise you. The Melt Up is underway...
after all, initial public offerings ("IPOs") are...
booming. And Goldman - one of the world's...
dominant investment banks - is in the perfect...
position to benefit from what's going on.

So what gives? Where is the company making cuts...
to them like that?
Surprisingly, it's in a part of the market that it used...
to dominate. Back in the day, Goldman used to...
have one of the top commodity trading desks. But...
thanks to a multiyear bear market in commodities...
the company's presence there has dwindled.

You see, two nails can seal the coffin of any commodity trading desk...
The first is a long-term downturn in prices. When that happens, it's tough for even the...
best traders to weather the storm.

THIS Instant Read

U.S. Stocks: The Melt Up continues and our systems are as bullish as ever.

Foreign Stocks: Many foreign markets are hitting new highs. And we have plenty of buy signals outside the U.S.

Commodities: After a terrible decade, our computers are flashing "buy" once again. This could be the start of a long-term boom.

"You guys talk about 'life changing results'... I am actually taking pride in managing our investments. That is a big life change."
- Nick F.

"...you folks have become my teachers and a true resource... educating me on how to invest for the long term. WHAT A GIFT!"
- Joe D.

"You have each been instrumental in helping me build wealth... analyses are consistently meticulous, concise and on-point."
- David K.

"...your recommendations had a profound impact on my family and I am very much appreciative."
- Kyle B.

"Empire Financial research articles have taught me a lot and I truly believe that small investors like me have no place in the market without your financial research and investment ideas."
- Sandeep L.

"...despite the world imploding, [you] helped me keep a level head in the early days of the pandemic."
- Nick C.

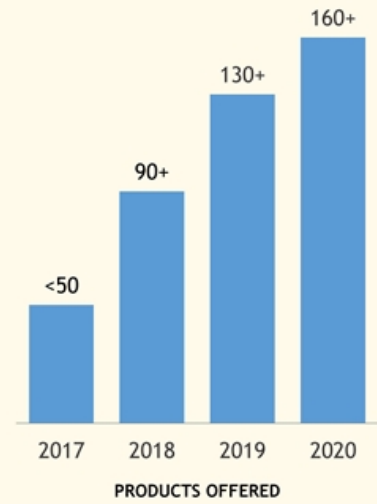
PROVEN, AGILE PLATFORM FOR LAUNCHING NEW PRODUCTS QUICKLY WITH LOW RISK

DETECT Detect new demand and investment trends in the financial marketplace through observation, research and analysis

ANALYZE Identify a financial expert that has a personal passion for a specific area of growing customer interest and can provide unique insights

LAUNCH Launch new products within weeks. Target offers based on customer behavior and use AI to track and improve results

SCALE Grow content team in product area and cross-sell and upsell to build customer lifetime relationship

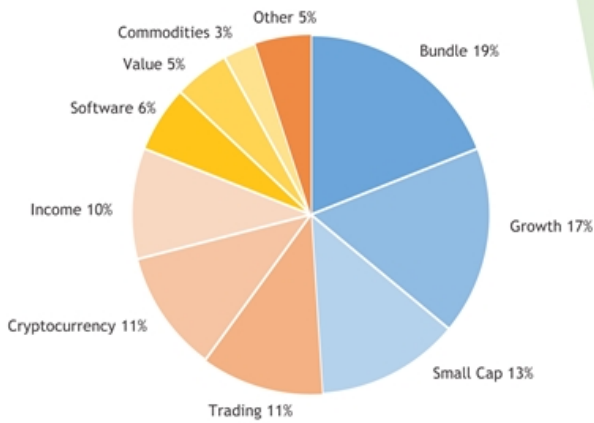


110+ New Products in 3 Years

Helped drive >\$300M of Billings

DIVERSE RESEARCH PORTFOLIO ACROSS DIFFERENT ASSET CLASSES

DIVERSE RESEARCH PRODUCTS
(% OF BILLINGS - 2018-2020)

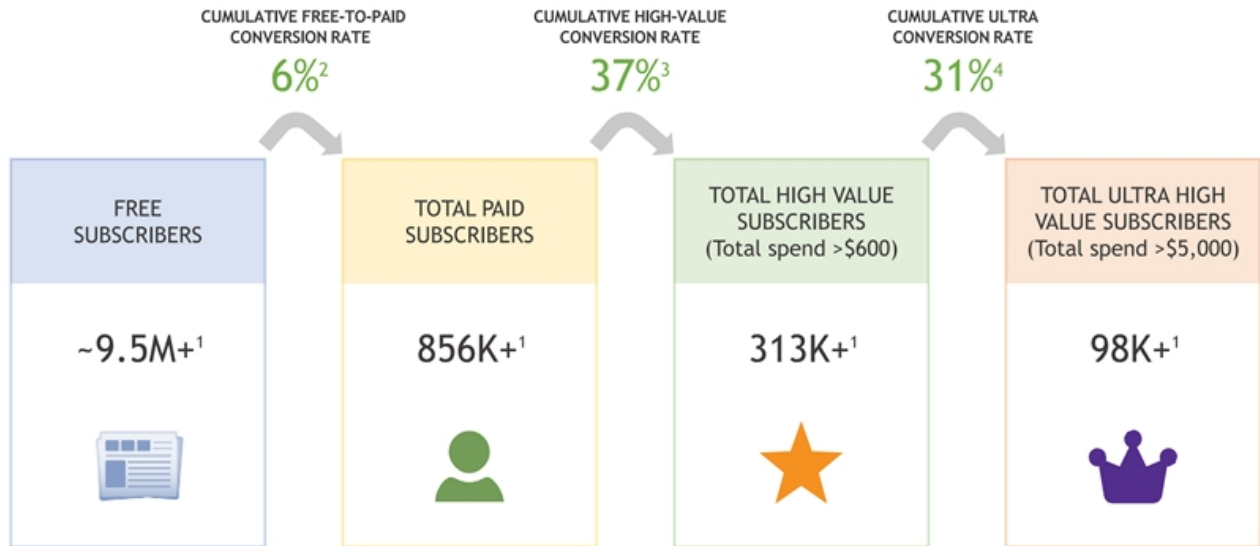


	# OF SUBSCRIBERS ¹	CUMULATIVE LIFETIME SPEND ¹	SELECTED EXAMPLES
Free General market commentary, current events - insightful and educational	9.5M		<ul style="list-style-type: none"> • Newswire • Investor Hour • The Weekly Pulse • The Daily Cut
Paid Mega Cap equities and basic investment strategies	544K ²	<\$600	<ul style="list-style-type: none"> • Fry's Investment Report - \$249 • Empire Stock Investor - \$199
High Value More advanced investing strategies - Value Investing, Microcaps, Real Estate, Options, Trading, Cryptocurrencies	215K ²	\$600-\$5,000	<ul style="list-style-type: none"> • Empire Elite Growth - \$5,000 • Palm Beach Ventures - \$3,000
Ultra High Value Product bundles	98K ²	>\$5,000	<ul style="list-style-type: none"> • Alliance - \$31,000 + \$499 annually • Total Portfolio - \$15,000 + \$499 annually

1. As of December 31, 2020

2. Number of subscribers indicated correspond with the cumulative lifetime spend to the right (e.g., 544K of the 856K+ total paid subscribers have less than \$600 of cumulative lifetime spend)

BEST-IN-CLASS BUSINESS MODEL TAILORED FOR HIGH VALUE SUBSCRIBERS



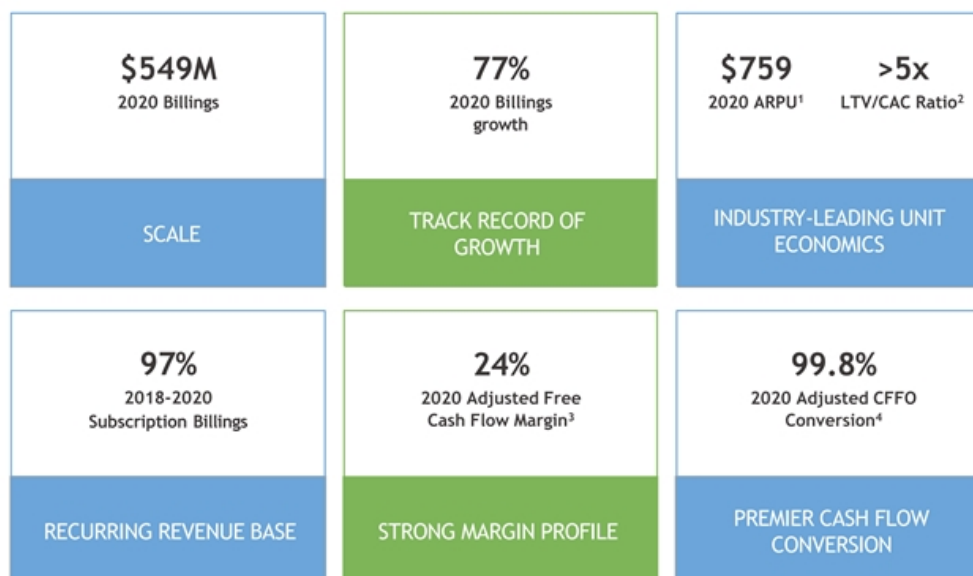
1. Subscriber figures shown as of December 31, 2020

2. Represents cumulative free-to-paid conversion rate for the period January 1, 2018 to December 31, 2020. Calculated as (number of free subscribers who purchased a subscription during the period) / (average number of free subscribers during the period)

3. Represents cumulative high-value conversion rate as of December 31, 2020. Calculated as (number of paid subscribers who have purchased >\$600 in aggregate over their lifetime as of December 31, 2020) / (number of paid subscribers as of December 31, 2020)

4. Represents cumulative ultra-value conversion rate as of December 31, 2020. Calculated as (number of paid subscribers who have purchased >\$5,000 in aggregate over their lifetime as of December 31, 2020) / (number of high value subscribers as of December 31, 2020)

FINANCIAL HIGHLIGHTS



1. Based on trailing four quarter net billings / average number of trailing four quarter paid subscribers

2. Based on average lifetime customer contribution margin divided by customer acquisition costs. Customer acquisition costs include direct marketing spend, external revenue share expense, retention and renewal expenses, copywriting and marketing salaries, tele-sales salaries and commissions and customer service commissions

3. Adjusted FCF Margin = Adjusted FCF / Billings. Adjusted FCF is calculated as Adjusted CFFO - Capital Expenditures. Adjusted CFFO is calculated as net cash provided by operating activities plus profits distributions to Class B unitholders included in stock based compensation expense

4. Adjusted CFFO Conversion = (Adjusted CFFO - Capital Expenditures) / Adjusted CFFO

SUPERIOR UNIT ECONOMICS - 2020...

“...with an LTV/CAC ratio of 3 or higher, investing an incremental dollar in acquiring new customers has a greater expected return than retaining that dollar as profit...”



Avg. Customer Lifetime Billings **~\$2,700**

High Variable Margin

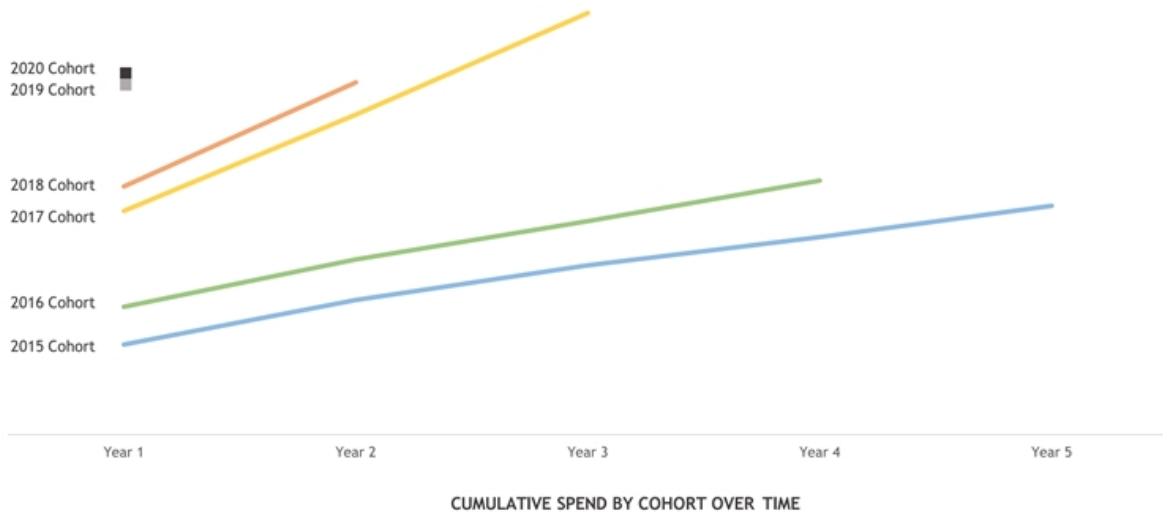
LTV/CAC¹ Ratio **>5x**

90 Days
CPA² Breakeven

7-9 Months
CAC¹ Breakeven

1. Customer Acquisition Costs include direct marketing spend, external revenue share expense, retention and renewal expenses, copywriting and marketing salaries, tele-sales salaries and commissions and customer service commissions
2. CPA - Cost per acquisition includes direct marketing spend only

... WITH SUBSCRIBERS SPENDING MORE INITIALLY AND INCREASING THAT SPEND OVER TIME



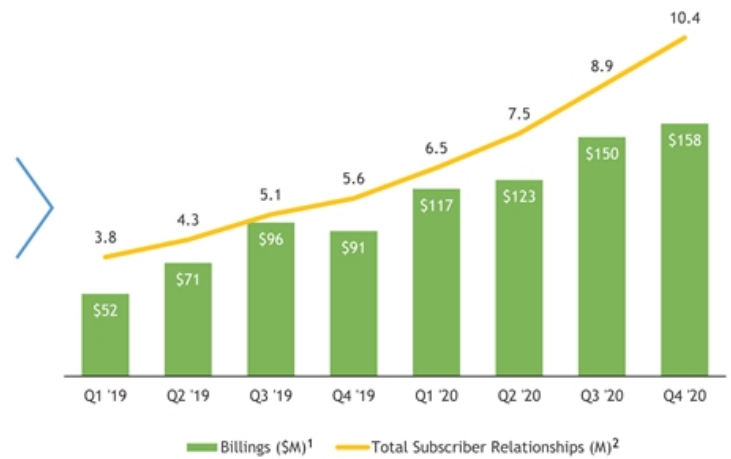


VISION & GROWTH STRATEGY

STRATEGIC INITIATIVES ARE DRIVING AND ACCELERATING GROWTH

KEY INITIATIVES (PAST 3 YEARS)

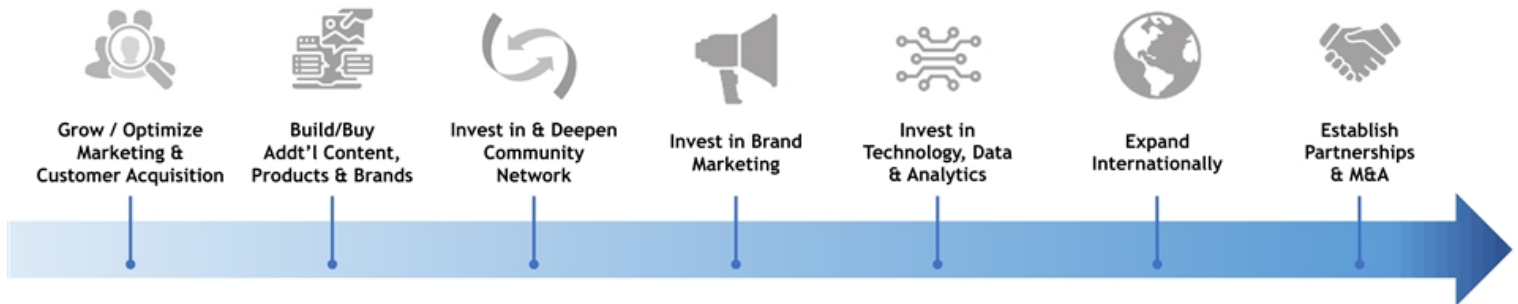
- Strategic acquisitions (6 operating subsidiaries)
- Broadened product offerings, including adding 27+ editors & 110+ publications and built or acquired software and tools to complement premium content
- Upgraded corporate infrastructure with deployment of new systems & applications, including analytics and machine learning
- Improvement in marketing efficiency & customer satisfaction / retention
- Recruited and trained additional talent across organization



1. Billings represents amounts invoiced to customers
2. Includes both free and paid subscribers

OUR VISION

TO BECOME THE DE-FACTO FINANCIAL WELLNESS SOLUTIONS PLATFORM FOR SELF-DIRECTED INVESTORS



1. EXPAND REACH AND DISCOVERABILITY

- Leverage existing financial education loop
- Expand and grow reach via additional channels including videos and live streaming
- Expand marketing channels

2. BUILD DEEP NETWORK EFFECTS

- Provide BSG subscribers with a greater ability to cultivate deeper social connections and connect with fellow members
- Generate multi-sided platform with flywheel effects

3. ADD ENGINEERING & ML EXCELLENCE

- Focus areas include machine learning, performance marketing, and SaaS product development
- Deepen breadth and depth of targeted offerings

4. CONSOLIDATE A FRAGMENTED MARKET

- Opportunities to accelerate and expand product offering, customer base, international
- Drive accretive M&A using cash and public currency

... WITH A TRACK RECORD OF EFFICIENT AND **HIGHLY ACCRETIVE CAPITAL ALLOCATION**

	YEAR	FOCUS AREA	BUILD OR BUY	ORIGINAL SALES (\$ MILLIONS)	2020 SALES (\$ MILLIONS)
Transaction 1	2010	Macro	Build	--	\$120
Transaction 2	2013	Risk Allocation	Buy	\$1	\$30
Transaction 3	2014	Macro	Buy	\$5	\$110
Transaction 4	2015	Commodities	Buy	\$12	\$25
Transaction 5	2016	Trading	Build	--	\$30
Transaction 6	2017	Growth	Buy	\$28	\$67
Transaction 7	2019	Growth / SPACs	Build	--	\$32
Transaction 8	2019	Software	Build	--	\$7
Transaction 9 ¹	2021	Software	Buy	\$3	Future
Total				\$49	\$421
				% of Total 2020 Net Sales	77%

1. Acquisition completed on January 21, 2021; Original Sales represents revenue in 2020; 2020 Sales left blank since acquisition was completed after 2020

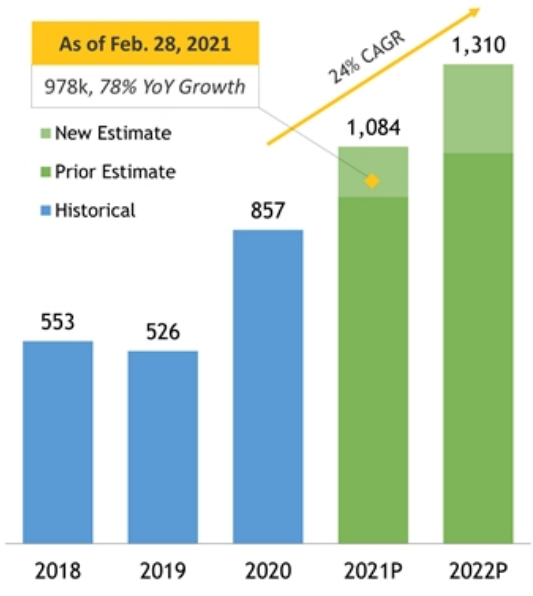
FORECASTED KEY PERFORMANCE INDICATORS

PAID SUBSCRIBERS (IN THOUSANDS)

As of Feb. 28, 2021
978k, 78% YoY Growth

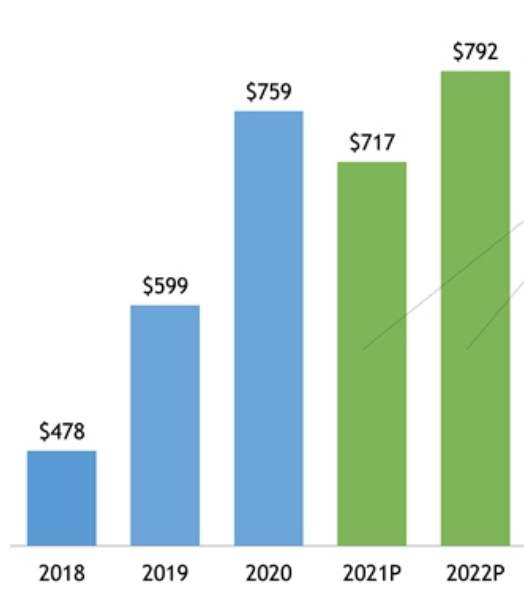
- New Estimate
- Prior Estimate
- Historical

24% CAGR



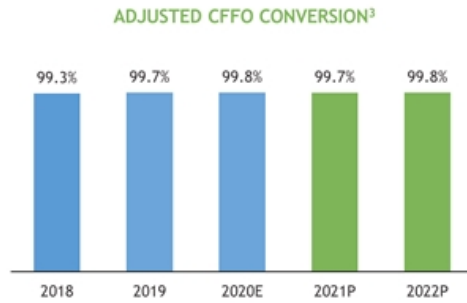
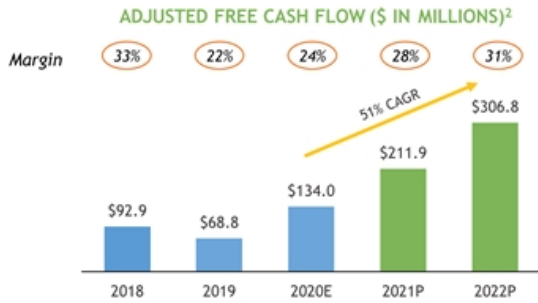
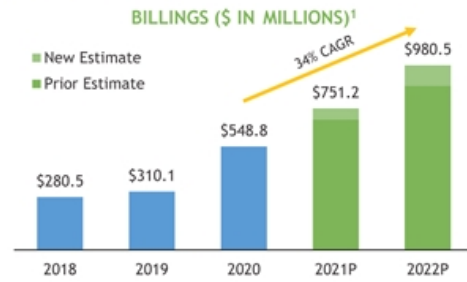
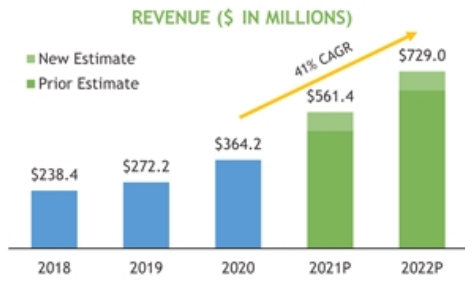
ARPU¹

ARPU decline due to significant subscriber growth; future monetization will drive accretion



1. Based on trailing four quarter net billings / average number of trailing four quarter paid subscribers

HIGHLY ATTRACTIVE LONG-TERM GROWTH AT SCALE



1. Billings represents amounts invoiced to customers

2. Adjusted FCF = Adjusted CFFO - Capital Expenditures. Adjusted CFFO is calculated as net cash provided by operating activities plus profits distributions to Class B unitholders included in stock based compensation expense. Adjusted FCF Margin = Adjusted FCF / Billings

3. Adjusted CFFO Conversion = (Adjusted CFFO - Capital Expenditures) / Adjusted CFFO

LONG-TERM FINANCIAL OBJECTIVES



KEY GROWTH DRIVERS

- Paid marketing spend
- New products/markets
- M&A

KEY PROFITABILITY DRIVERS

- Paid marketing spend
- Conversion/upsells
- ROIs



**SUSTAINED TARGET
“ADJUSTED RULE OF 50”¹ FINANCIAL PROFILE**

1. Adjusted Rule of 50 equals annual GAAP Revenue Growth Rate plus Adjusted FCF Margin

INVESTMENT HIGHLIGHTS

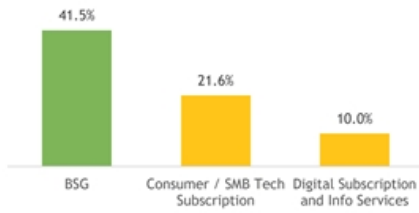
- ✓ \$191B TAM with significant tailwinds, ripe for disruption
- ✓ Market leading tech platform with scalable high-value and proprietary content, data & analytics
- ✓ 10M+ self-directed investors, growing 78% from 2018 to 2020
- ✓ 12 primary customer facing brands offering 160+ products
- ✓ “Adjusted Rule of 50”¹ financial profile - Scale + Growth + Recurring + Adjusted FCF²
- ✓ Deep, long-tenured & proven team
- ✓ Multiple organic & inorganic avenues to potentially drive sustained profitable growth at scale

1. Adjusted Rule of 50 equals annual GAAP Revenue Growth Rate plus Adjusted FCF Margin. Adjusted FCF Margin = Adjusted FCF / Billings

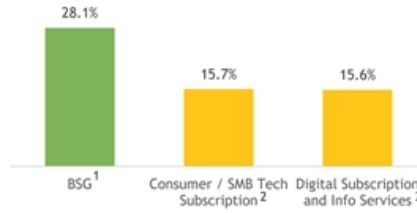
2. Adjusted FCF is calculated as Adjusted CFO (Cash Flow From Operations) - Capital Expenditures. Adjusted CFO is calculated as net cash provided by operating activities plus profits distributions to Class B unitholders included in stock based compensation expense

BSG VS. COMPS: BEST IN CLASS WITH SIGNIFICANT UPSIDE POTENTIAL

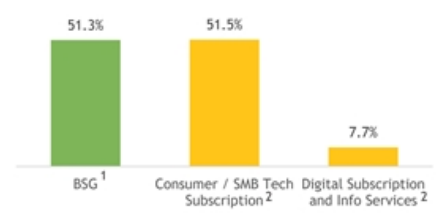
2020-2022P GAAP REVENUE CAGR (%)



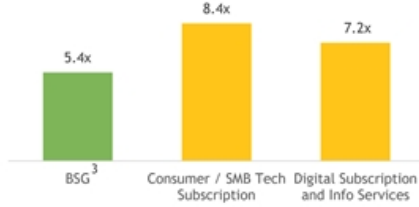
2021P ADJ. FREE CASH FLOW MARGIN (%)



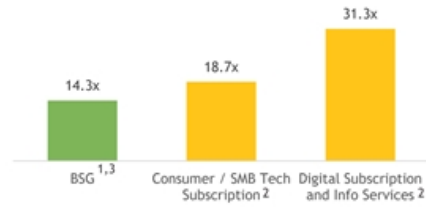
2020-2022P ADJ. FREE CASH FLOW CAGR (%)



EV / 2021P REVENUE (X)



EV / 2021P ADJ. FREE CASH FLOW (X)⁴



Sources: FactSet as of 1/29/2021, Wall Street research

Notes: Consumer / SMB Tech Subscription group includes: CHGG, DBX, GDDY, HUBS, MTCH, NFLX, SPOT, SQ, SVKM, WIX; Digital Subscription and Info Services group includes: CSGP, ENV, FDS, FORR, INFO, IT, MORN, MSCI, NYT

1. Adjusted Free Cash Flow = Adjusted CFFO - Capital Expenditures. Adjusted Free Cash Flow Margin = Adjusted Free Cash Flow / Billings. Adjusted CFFO is calculated as net cash provided by operating activities plus profits distributions to Class B unitholders included in stock based compensation expense. Billings represents amounts invoiced to customers

2. Adjusted Free Cash Flow = Adjusted CFFO + Taxes - Capital Expenditures. Adjusted Free Cash Flow Margin = Adjusted Free Cash Flow / GAAP Revenue

3. Multiples based on pro forma Total Enterprise Value of \$3,024 million

4. Trading multiples greater than 45.0x are excluded

PUBLIC COMPARABLES RATIONALE

Consumer / SMB Tech Subscription

- BSG is a direct to consumer, tech-enabled, subscription-based business whose success is driven by its ability to directly connect with retail investors, get them interested enough to click through and to subscribe and whose value is ultimately driven by forming personal connections with these subscribers, providing high quality content, and converting them to this higher value content at higher price points
- Target customers are primarily retail investors whose buying behavior closely resembles that of consumer subscription customers
- Free-to-paid business model aligns closely with many high performing consumer / SMB tech companies, with higher tiers for customers as they continue to see greater value
- BSG is at the most favorable end of the range of this peer group for all major categories of: i.) revenue growth, ii.) gross margins, iii.) ARPU, iv.) monthly churn, and v.) LTV / CAC

Digital Subscription and Info Services

- BSG's content has similarities to many of the digital subscription and info services companies, although a number of the comps in the group are more focused on institutional customers as compared to consumers
- This group is focused on digital publication of financial media content, which is similar to BSG's content and delivery medium
- BSG leads in all major categories versus this peer group (and is in line with the group in monthly churn): i.) revenue growth, ii.) gross margins, iii.) ARPU, iv.) monthly churn, and v.) LTV / CAC

CONSUMER / SMB TECH SUBSCRIPTION METRICS

(\$ in millions, except per share data)

Company	Financial Metrics					Operational Metrics (Q4 2020)		
	Revenue YoY Growth		Rev CAGR	Gross Margin		Annual	Monthly	LTV /
	'20-'21	'21-'22	'20-'22	2020	2021E	ARPU	Churn	CAC
Beacon Street Group	54.1%	29.9%	41.5%	85.7%	86.8%	\$ 759.0	1.8%	>5x
Netflix, Inc.	20.1%	15.6%	17.8%	39.0%	40.4%	\$ 130.5	4.0%	-
Square, Inc.	48.3%	19.7%	33.2%	29.2%	27.7%	41.0 ⁽¹⁾	-	-
Spotify Technology S.A.	16.1%	19.5%	17.8%	25.3%	25.4%	60.8	3.9%	2.9x
Match Group, Inc.	18.7%	17.2%	18.0%	73.5%	73.6%	226.3	-	-
HubSpot, Inc.	34.1%	24.6%	29.3%	82.2%	82.5%	- ⁽²⁾	-	-
Wix.com Ltd.	31.5%	25.3%	28.4%	70.1%	63.2%	158.3	1.4%	-
GoDaddy Inc.	12.0%	10.4%	11.2%	65.0%	65.3%	166.0	1.2%	>10x
Chegg, Inc.	25.7%	21.6%	23.6%	68.3%	68.9%	160.0	-	-
Dropbox, Inc.	10.4%	8.8%	9.6%	79.1%	80.1%	130.2	-	-
SVMK Inc.	17.5%	20.1%	18.8%	80.4%	80.8%	494.0	-	-
Mean:	23.4%	18.3%	20.8%	61.2%	60.8%			
Median:	19.4%	19.6%	18.4%	69.2%	67.1%			

Sources: FactSet, CapitalIQ, Wall Street research, public filings & transcripts

(1) Square ARPU represents Cash App

(2) HubSpot reports ARPU, but it was not included due to difference in customer type

DIGITAL SUBSCRIPTION AND INFO SERVICES METRICS

(\$ in millions, except per share data)

Company	Financial Metrics					Operational Metrics (Q4 2020)		
	Revenue YoY Growth		Rev CAGR	Gross Margin		Annual	Monthly	LTV /
	'20-'21	'21-'22	'20-'22	2020	2021E	ARPU	Churn	CAC
Beacon Street Group	54.1%	29.9%	41.5%	85.7%	86.8%	\$ 759.0	1.8%	>5x
MSCI Inc.	14.2%	10.1%	12.1%	82.9%	83.6%	-	-	-
IHS Markit Ltd.	6.8%	6.5%	6.6%	62.5%	62.9%	-	-	-
CoStar Group, Inc.	17.9%	15.7%	16.8%	81.2%	81.2%	-	-	-
Gartner, Inc.	8.4%	13.7%	11.0%	66.4%	66.5%	-	1.6% ⁽¹⁾	-
FactSet Research Systems Inc.	5.5%	NA	5.1%	NA	NA	-	0.9%	-
Morningstar, Inc.	NA	NA	NA	NA	NA	-	-	-
The New York Times Company	10.5%	7.6%	9.0%	NA	NA	-	-	3.7x
Investnet, Inc.	13.5%	10.5%	12.0%	69.3%	67.4%	-	-	-
Forrester Research, Inc.	6.7%	8.4%	7.5%	59.7%	59.3%	-	3.5%	-
Mean:	10.4%	10.3%	10.0%	70.3%	70.2%			
Median:	9.5%	10.1%	10.0%	67.9%	67.0%			

Sources: FactSet, CapitalIQ, Wall Street research, public filings & transcripts

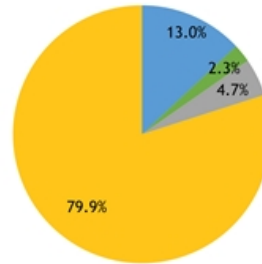
(1) Gartner churn represents global technology sales

TRANSACTION SUMMARY

- ACND has agreed to combine with BSG in a transaction with an implied total enterprise value of \$3.024 billion
- This transaction represents an attractive pro forma multiple of 6.2x 2021P GAAP revenue and 15.1x 2021P Adjusted EBITDA
- Concurrent with this transaction, BSG and ACND are seeking to raise \$150 million in a PIPE offering at \$10.00 per share
- After giving effect to these transactions, pro forma company will have approximately \$150 million of cash on its balance sheet

ILLUSTRATIVE SOURCES & USES (\$M)			
SOURCES		USES	
ACND Cash Held in Trust	\$414	Cash to Balance Sheet	\$150
PIPE Raise Proceeds	150	Transaction Fees & Expenses	40
Sellers' Equity Rollover	2,537	Cash to Sellers ¹	374
		Sellers' Equity Rollover	2,537
TOTAL	\$3,101	TOTAL	\$3,101

ILLUSTRATIVE PRO FORMA OWNERSHIP AT CLOSE^{1,2}



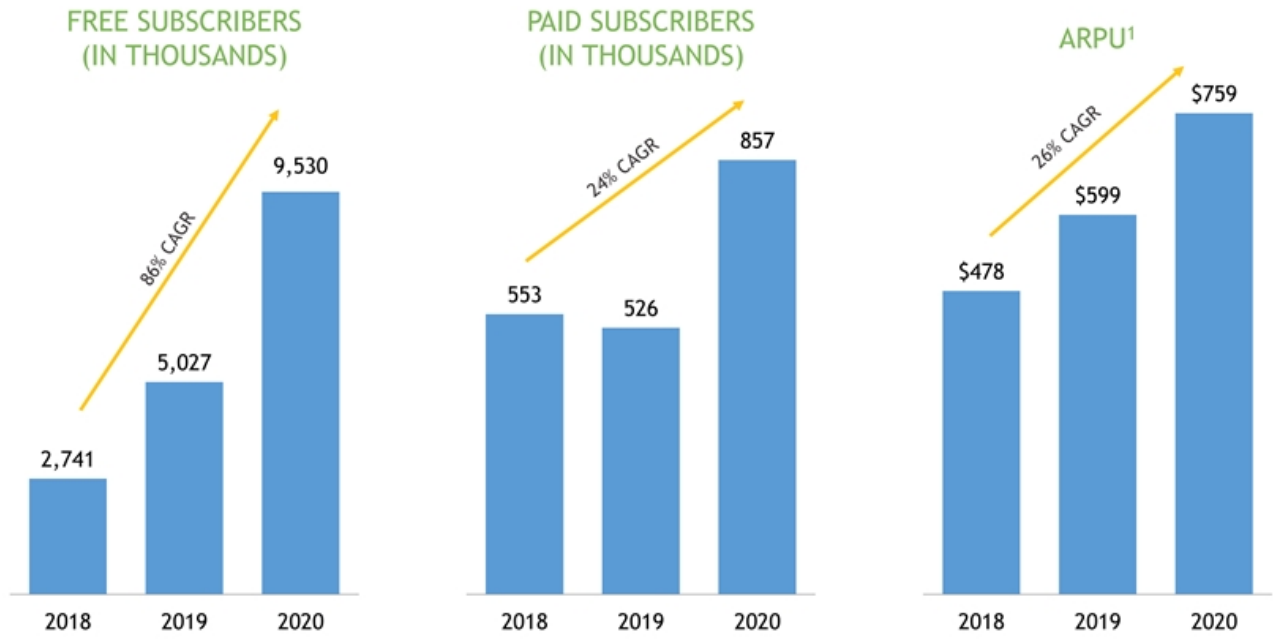
■ ACND Shareholders ■ ACND Founders ■ PIPE Investors ■ Seller's Rollover Equity³

1. Assumes no redemption from ACND trust account
 2. Excludes ACND warrants and earnout shares and shares issuable pursuant to the combined company's equity incentive plans
 3. Includes approximately 18% that will be subject to a voting arrangement in favor of the board of directors of the combined company



APPENDIX

HISTORICAL KEY PERFORMANCE INDICATORS



1. Based on trailing four quarter net billings / average number of trailing four quarter paid subscribers

NON-GAAP RECONCILIATIONS

(\$ in 000's)	2018	2019	2020
Net Cash Provided by Operating Activities	76,493	54,201	55,875
Plus: Profits distributions to Class B unitholders included in stock based compensation expense	17,135	14,831	78,398
Adj. CFO (Adjusted Cash Flow from Operations)	93,628	69,032	134,273

GAAP INCOME STATEMENT

(\$ in 000's)	2018			2019			2020			% Variance	
									'18 v '19	'19 v '20	
Total Revenue	238,449	272,223	364,179				14%	34%			
Operating Expenses											
Cost of Revenue	57,643	42,553	154,605	-26%	263%						
Sales and Marketing	97,332	106,094	214,257	9%	102%						
General and Administrative	58,215	91,669	526,561	57%	474%						
Depreciation and Amortization	2,534	2,334	2,553	-8%	9%						
Research and Development	2,303	3,672	4,770	59%	30%						
Related Party Expenses	2,096	331	122	-84%	-63%						
Total Operating Expenses	220,123	246,654	902,867	12%	266%						
Income (Loss) from Operations	18,326	25,569	(538,688)	40%	N/M						
Other (Income) Expense, net	(278)	(865)	2,879	N/M	N/M						
Interest (Income) Expense, net	(67)	(1,558)	(477)	N/M	N/M						
Net Income (Loss)	18,671	27,993	(541,090)	50%	N/M						

(\$ in 000's)	2018			2019			2020			% Variance	
									'18 v '19	'19 v '20	
Total Revenue	100%	100%	100%								
Operating Expenses											
Cost of Revenue	24%	16%	42%								
Sales and Marketing	41%	39%	59%								
General and Administrative	24%	34%	145%								
Depreciation and Amortization	1%	1%	1%								
Research and Development	1%	1%	1%								
Related Party Expenses	1%	0%	0%								
Total Operating Expenses	92%	91%	248%								
Income (Loss) from Operations	8%	9%	-148%								
Other (Income) Expense, net	0%	0%	1%								
Interest (Income) Expense, net	0%	-1%	0%								
Net Income (Loss)	8%	10%	-149%								

(\$ in 000's)	2018			2019			2020			% Variance	
									'18 v '19	'19 v '20	
Stock Based Compensation Expense¹											
Vested Class B Units & Change in Fair Value of Class B Liability Awards	11,077	5,608	475,202	-49%	8373%						
Profits distribution to Class B Unitholders included in stock based compensation expense	17,135	14,831	78,398	-13%	429%						
Total Stock Based Compensation Expense	28,212	20,439	553,600	-28%	2608%						
Stock Based Compensation Line Item Summary¹											
Cost of Revenue	21,889	5,025	102,736	-77%	1944%						
Sales and Marketing	6,323	-	10,567	N/M	N/M						
General and Administrative	-	15,414	440,297	N/M	2756%						
Total Stock Based Compensation Expense	28,212	20,439	553,600	-28%	2608%						

1. Within our expenses historically are stock-based compensation expenses related to the Class B Units. Because Beacon Street Group, LLC's current operating agreement includes puts and calls for the Class B units, these current Class B Units are classified as liabilities as opposed to equity and remeasured to fair value at the end of each reporting period until settlement into equity, with the change in value being charged to stock-based compensation expense. Additionally, because the Class B Units are classified as liabilities on BSG's consolidated balance sheet, all profits distributions made to the holders of the Class B Units are considered to be stock-based compensation expenses. As a result of the merger with Ascendant, in which all Class B Units will be converted into straight Common Units (with no calls or puts), BSG does not expect to continue recognizing stock-based compensation expenses related to the Class B Units for periods after the consummation of this merger. While going forward BSG does not expect to incur the levels of stock-based compensation expense BSG has historically as a result of the liability-award classification of the Class B Units, BSG does expect to incur much-reduced stock-based compensation expense in the ordinary course.