

ADVENT SOFTWARE, INC.
2007 ANNUAL REPORT

Celebrating 25 Years



SPINE:
Printer to adjust width

Dear Shareholders,

AS ADVENT CELEBRATES ITS 25TH ANNIVERSARY, I am delighted to report that 2007 was another successful year for our company. Revenues were a record \$215 million, up 17 percent over 2006, and cash flow from operations for the year was \$62 million, a 33 percent increase over the previous year. Term contract value was a record \$81 million, up 66 percent from 2006. Our decision to move to a term license model three years ago was based on the belief that it is the best long-term model for this business. With 77 percent of revenues coming from term and other recurring sources in 2007, it is proving to have been the right decision.

These results are especially gratifying when I think of how far we have come and the milestones we have reached. We started this company 25 years ago with a \$50,000 investment and the belief that the asset management industry was ripe for automation. Taking advantage of the technology of the day, we developed a product to help investment firms automate their labor-intensive, manual processes. It was an original concept to fill a proven need, and with that, we launched Advent and pioneered an industry.

While it is rewarding to reflect on the past, it is even more exciting to be setting the stage for the next 25 years. Technology and the financial services sector have changed dramatically since we designed products for those early desktop PCs, but Advent has stayed ahead of the curve due to the strength of our products, the depth of our client relationships, and our culture of innovation. We will continue to set and raise the standards for our industry in the years ahead.

The spirit of innovation that launched this company in 1983 is still the driving force behind our growth. In 2007, we again saw the results of our ongoing enhancement strategy with major new releases of our core products: Advent Portfolio Exchange[®], Moxy[®], and Geneva[®]. Each of these market-leading products continues to gain market share and add value for our clients.

We also launched two new products in 2007: Advent Revenue Center[®], our automated billing solution, and Advent Rules Manager[®], our highly anticipated solution for trading compliance. These products further enlarge Advent's footprint in client operations, a critical component of our strategy.

Our subsidiary, MicroEdge, which provides charitable-giving management solutions, gained significant momentum in 2007 with the acquisition of VividOrange. VividOrange offers a powerful hosted application, SmartChangeSM, for managing corporate and employee giving initiatives and rounds out MicroEdge's corporate philanthropy solution. With an estimated \$6 trillion of charitable giving

1984
Introduced The Professional Portfolio[®] (TPP)

1985
Created first PC-based portfolio
management system/
NYC office opened

1986
Held first user conference

25

expected to take place in the U.S. through 2052 and strong growth expected in corporate social responsibility initiatives, MicroEdge is in a unique position to capitalize on these trends.

This past year, we invested 19 percent of revenues in research and development, underscoring our commitment to accelerating our lead in the market through innovation. Advent is in the business of providing mission-critical solutions to meet our clients' complex needs—needs that we are well-positioned to meet, regardless of the specific market conditions at a given time.

Along with ongoing innovation, client focus is another mainstay of the Advent model. We have been successful over the past 25 years because we cultivate strong and enduring client relationships. Our clients tell us that we are among their key strategic providers. Retention rates among our clients are consistently above 90 percent, and the average tenure is over 10 years.

Advent has a proven reputation as a trusted business partner. In 2007, we built on that reputation to expand our client base and penetrate more of the industry's largest global firms. We are very proud that eight of the top 10 global prime brokers, eight of the top 10 global fund administrators, and 15 of the world's largest hedge funds are among the more than 150 firms that have licensed Geneva®.

Entering our 25th year, the trends we see today will, we believe, translate into even greater success in the future. The world is undergoing an unprecedented level of wealth creation, with assets under management totaling \$64 trillion globally at the end of 2006. New markets are opening up to the asset management industry, notably the emerging markets of Asia, Eastern Europe, India, and the Middle East. Meanwhile, an aging population is increasing the market for retirement planning and wealth management.

At the same time, alternative investments continue to proliferate, with hedge fund assets growing from around \$40 billion in 1990 to almost \$2 trillion in 2007. As investors seek greater diversification and better returns, we see traditional asset managers moving into the hedge fund space and hedge fund strategies becoming ever more

intricate. McKinsey estimates that by 2010, perhaps 25 to 30 percent of the earnings of leading asset management firms will come from products not yet offered today.

All of these factors give me confidence that demand for asset management solutions will continue to increase, and we believe we are the company best positioned to capitalize on that demand. With 950 Advent associates in offices from San Francisco to London to Stockholm to Dubai, we have a growing global presence that today's market requires. Our areas of expertise span equities, fixed income, derivatives, bank debt, swaps, partnership accounting, trading, and performance analytics, just to name a few. This reflects our deep understanding of the investment industry, up to and including the very latest instruments and strategies.

Advent enjoys a combination of longevity, momentum, reliability, and innovation that is truly rare, not just in our industry but among all technology companies. We built this company for the long term, and we have the strength and stability to deliver growth for many years to come.

These have been an exhilarating and rewarding 25 years. When I look at our position in the market, our global reach, the formidable capabilities of the Advent team, the strength of our products, our impressive client roster, and the depth our client relationships, I have every reason to believe Advent's next 25 will be even more successful than the first 25.

Sincerely,



Stephanie DiMarco

CHIEF EXECUTIVE OFFICER

1987
Client base grew to seven countries
around the world

1988
Reached 1,000 clients

1989
Developed our first custodial interface

Celebrating Leadership

1983



The Dow closed the year at 1,285.64
4,000 registered securities firms
Limited investing outside the U.S.

Global financial assets totaled less than \$20 trillion

Derivative investments were exceedingly rare

Less federal regulation

Advent Software launches with one of the first programs
to automate the process of producing monthly
account statements

2007



The Dow closed the year over 12,000
More than 10,000 registered securities firms
Global financial assets exceed \$140 trillion
Markets are global and trading is 24/7
Hedge funds total more than 9,000

Real-time market updates

Complex regulations and strict enforcement

Advent is the industry's proven leader, offering award-
winning solutions that span the investment
management process

1990
Reached annual net revenue
of \$4.9 million

1991
Added fixed income capability

1992
Grew to over 100 employees

25

Much has changed since Advent

first bridged the worlds of investing and technology. Advent has not merely kept pace with the evolution of the investment industry—in many ways, Advent led the transformation.

As the years passed, Advent continually expanded and enhanced its offerings as technology advanced. Today, Advent is the only company providing an award-winning, state-of-the-art suite of mission-critical solutions covering virtually the entire investment management process.

As the markets went global, so did Advent. Today, Advent serves 4,500 clients in 60 countries through an international network of offices. Our worldwide staff speaks more than two dozen languages. Our global clientele today is managing more than \$18 trillion in assets worldwide.

By continually setting higher standards for speed, accuracy, and reliability, our solutions have made a powerful impact on the way the industry does business. It's a much faster moving business than it was 25 years ago, and Advent has continually kept pace with the changes.

One thing hasn't changed since 1983, however: Advent was the innovator then, and we continue to lead through innovation today.

1993
Introduced Axy's®, the first
Windows-based portfolio
accounting system

1994
Exceeded \$20 million in
annual net revenue

1995
Held initial public offering

Celebrating Innovation

New products and continual enhancement of existing products are the lifeblood of Advent's business. In 2007, we accelerated the pace of product development across the product line.

Advent Portfolio Exchange® (APX)

Advent's award-winning integrated portfolio management solution is becoming a must-have for firms in the \$1 billion-plus segment, with clients that manage \$60 billion and more. In 2007, we added 109 APX clients, bringing the total to 193 contracts sold after just two years on the market.

In 2007, Advent launched APX 2.0, which brought significant new functionality to the product, most notably:

- Performance analytics, a set of analytical tools that enable portfolio managers to pinpoint the sources of performance and make better informed decisions while delivering more powerful reporting to clients.
- Expanded coverage of fixed income securities, particularly mortgage-backed and collateralized mortgage obligations, to support a broader range of investment strategies and eliminate the need for off-line processing.

With 2.0, APX has evolved from front-to-back office integration to a true enterprise solution capable of meeting the demands of larger firms with more complex strategies.

Geneva®

Geneva® is Advent's award-winning global portfolio management platform for hedge funds, global fund administrators, and prime brokers. It offers the power and agility needed to manage complex multi-currency, multi-instrument investment strategies. We signed 55 new Geneva® clients in 2007, bringing the total number of clients signed to 157 at year end. Geneva® is the portfolio management solution of choice for eight of the top 10 global prime brokers, eight of the top 10 global fund administrators, and 15 of the world's largest hedge funds.

Advent launched Geneva® 7.0 in 2007, with powerful enhancements that include a new interface and a data browser that significantly improve usability and data access for users. Geneva® 7.0 also includes

expanded instrument coverage and improved support for swaps, bank debt, and fixed income.

Moxy®

Advent's trade order management platform is the most popular in the world, with a client base of more than 800 firms. Moxy® provides a streamlined, centralized environment that enables firms to handle higher volume with fewer resources and trade everything from equities and fixed income to global securities and derivatives, including swaps and forward contracts.

Version 6.0 of Moxy® launched in 2007 with a new .NET platform and a transition to an open architecture. Combined with a new, more intuitive user interface, these enhancements allow a greater degree of flexibility and customization as well as improved scalability to take on ever-increasing trading volume without straining the system.

Advent Rules Manager®

Advent's new compliance product, Advent Rules Manager®, was launched in 2007. Working in conjunction with Moxy®, Advent Rules Manager® enables firms to automate pre- and post-trade compliance and portfolio monitoring so that clients can better enforce a firm's investment policies and deliver an audit trail to the SEC when necessary. As the regulatory environment has become increasingly complex, compliance has been a major concern that clients called on Advent to address. Advent Rules Manager® is receiving an enthusiastic reception from Moxy® clients and new prospects alike.

Advent Revenue Center®

Another new product in 2007, Advent Revenue Center® fills a critical gap in a client's operational infrastructure. Many customers that use Advent's advanced technology to manage their clients' portfolios have antiquated billing processes, resulting in delays and errors in getting invoices out and collecting revenue. Advent Revenue Center® integrates with APX and Axs® to provide a best practices solution that eliminates manual intervention, ensures timely billing, reduces errors, and makes it easy to handle customized fee schedules for different clients. We had more than 40 clients using Advent Revenue Center® at year end.

Advent Solutions in the Investment Management Process

	Research & Analysis	Portfolio Management	Trading	Operations	Portfolio Analysis	Marketing/Client Service
Portfolio Management & Accounting		Geneva®		Geneva®		
		APX		APX: Advent Portfolio Exchange®		
		Axys®		Axys®		Axys®
Trading & Compliance		Moxy®: OMS and Trade Settlement/DTCC				Advent Revenue Center®
		Advent Rules Manager®: Pre/Post Compliance				
Information Services		Advent Corporate Actions® & Advent® Custodial Data				Advent Partner®
		Market Data: IDC and Additional Reference/Valuation Sources				

Axys®

Axys® is still the most widely used Advent product with the largest installed base of any portfolio accounting solution. Advent continues to invest in Axys to keep it current and support its many loyal and satisfied clients. A new release of Axys® is due in 2008.

APX on Advent® Back Office Services (ABOS)

In 2007, Advent launched a hosted version of APX on ABOS, Advent's fully outsourced service. APX on ABOS enables clients to gain access to APX functionality without making a significant investment in technology infrastructure.

Straight Through Processing (STP)

Advent continues to add value and enhance client relationships with its STP solutions, which speed the connections between Advent systems and a client's counterparties and data sources. Our STP business is an important recurring revenue contributor. In 2007, Advent signed up more than 200 new clients for Advent® Custodial Data (ACD), which automates data feeds to and from more than 470 custodians. And we added 50 new clients to Advent Corporate Actions® (ACA), which delivers data on mergers, spin-offs, name and symbol changes, and other actions that affect portfolio holdings.

MicroEdge

Our MicroEdge subsidiary is the leading provider of solutions for the grantmaking community, with a suite that includes: GIFTS® to manage the full lifecycle of grant-giving; FIMS™ to help non-profit organizations with complex fund accounting needs; and FoundationPower™, a fully customizable solution that offers comprehensive fund accounting and grants management for the largest individual foundations. In 2007, MicroEdge significantly enhanced its suite with the acquisition of Vivid Orange and now offers SmartChange™, a powerful, web-based hosted platform that helps companies and charities manage their corporate community involvement and employee-giving initiatives.

1999
Exceeded \$100 million in annual net revenue/introduced Advent Office®

2000
Introduced Advent Trusted Network

2001
Launched WealthLine®

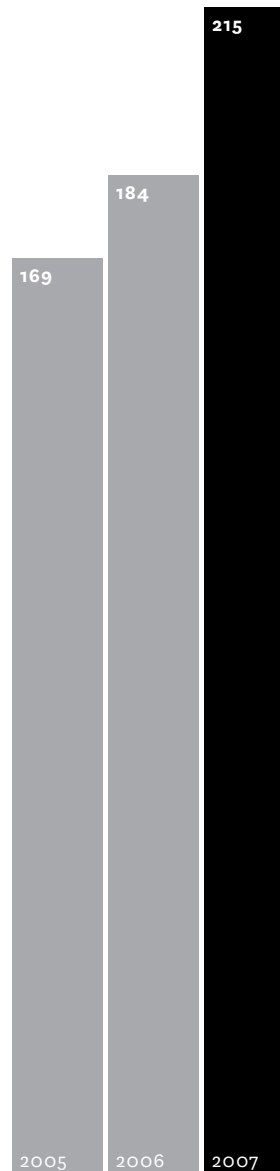
Celebrating Financial Strength

Advent set records in nearly every part of our business in 2007, including record revenue of \$215 million, a 17 percent increase over 2006 revenue. Cash flow from operations for the year was \$62 million, a 33 percent increase over the previous year.

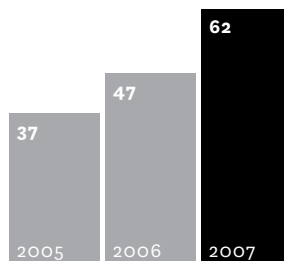
Term contract value signed in 2007 totaled \$81 million, up 66 percent year over year. With a corresponding average term of 3.4 years, the contracts signed in 2007 will add approximately \$24 million in annual revenue ("annual contract value") once they are fully implemented. Deferred revenue grew by \$20 million in 2007, to a total of \$120 million. Backlog also grew by \$30 million, to \$73 million, in 2007. Over 70 percent of our revenue is now recognized from recurring sources.

Our product portfolio and markets are well diversified. Each of our business units made a strong and growing contribution to our results. Looking at the current state of our business, we are expecting the steady upward trend in revenue and operating margin to continue in 2008.

**Revenue Trend
2005-2007**
\$ Million



**Operating Cash Flow
2005-2007**
\$ Million



2002
Acquired Techfi and Kinexus

2003
Celebrated 20th anniversary

2004
Acquired Advent Europe
Limited

Celebrating Mutual Success

25

Advent is a company committed to helping our clients succeed. In 2007, we further strengthened our existing client relationships while continuing to expand our client base.

Our clients tell us they appreciate Advent both as a company and for the individuals that make this company strong, valuing our expertise as much as our product performance. Advent consultants perform the vast majority of upgrades and installations to ensure that clients begin deriving value from our products from day one. Advent is still the only investment technology company to earn the prestigious Service Capability and Performance (SCP) certification—which we received in 2007 for the third year in a row.

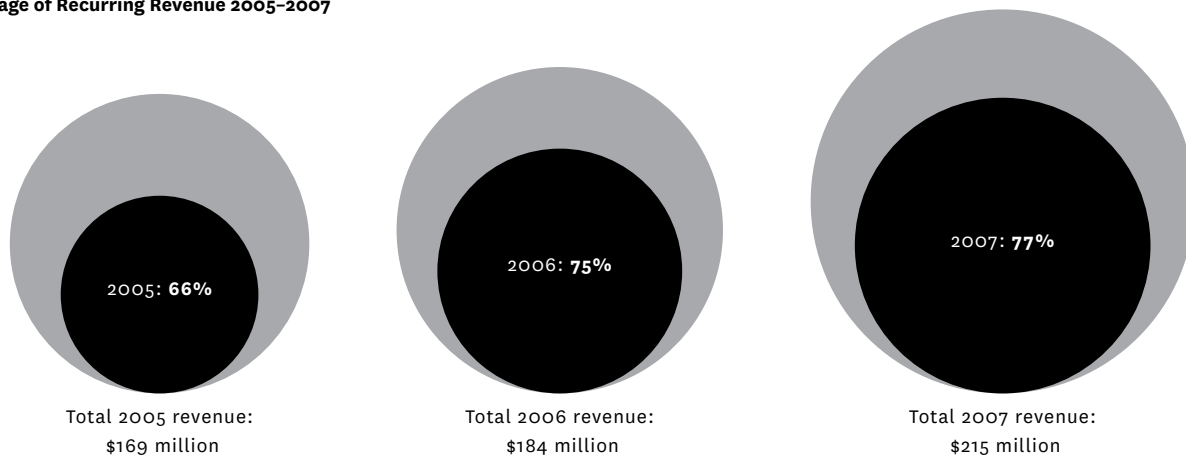
In 2007, we continued to engage clients actively in product validation and testing. Advent products are designed specifically to address real-world, client-identified needs and issues—the result of listening to clients and working closely with them.

It is a testament to Advent's standing with clients that our 2007 conference in Las Vegas attracted a record 1,200 attendees. Advent continues to earn high marks from our clients, and, according to satisfaction surveys, a growing number of existing clients are happy to provide references and testimonials for prospective clients on Advent's behalf.

Building strong relationships starts with having great people. Advent continues to be a company that attracts and retains top talent. Consistently ranked as one of the best places to work in the San Francisco Bay Area, we now employ close to 1,000 people. Advent also enjoys a high employee loyalty rate, exhibited in a long average employee tenure. We continue to invest in career development and create growth opportunities to sustain the exceptional talent at Advent.

Advent's relentless focus on our clients' success is a primary reason for our own success.

Percentage of Recurring Revenue 2005–2007



2005
Introduced Advent Portfolio Exchange® (APX)

2006
Reported record annual revenue of \$184 million

2007
Introduced Advent Rules Manager® and Advent Revenue Center®/reported record annual revenue of \$215 million

Celebrating Our Legacy— And Our Future

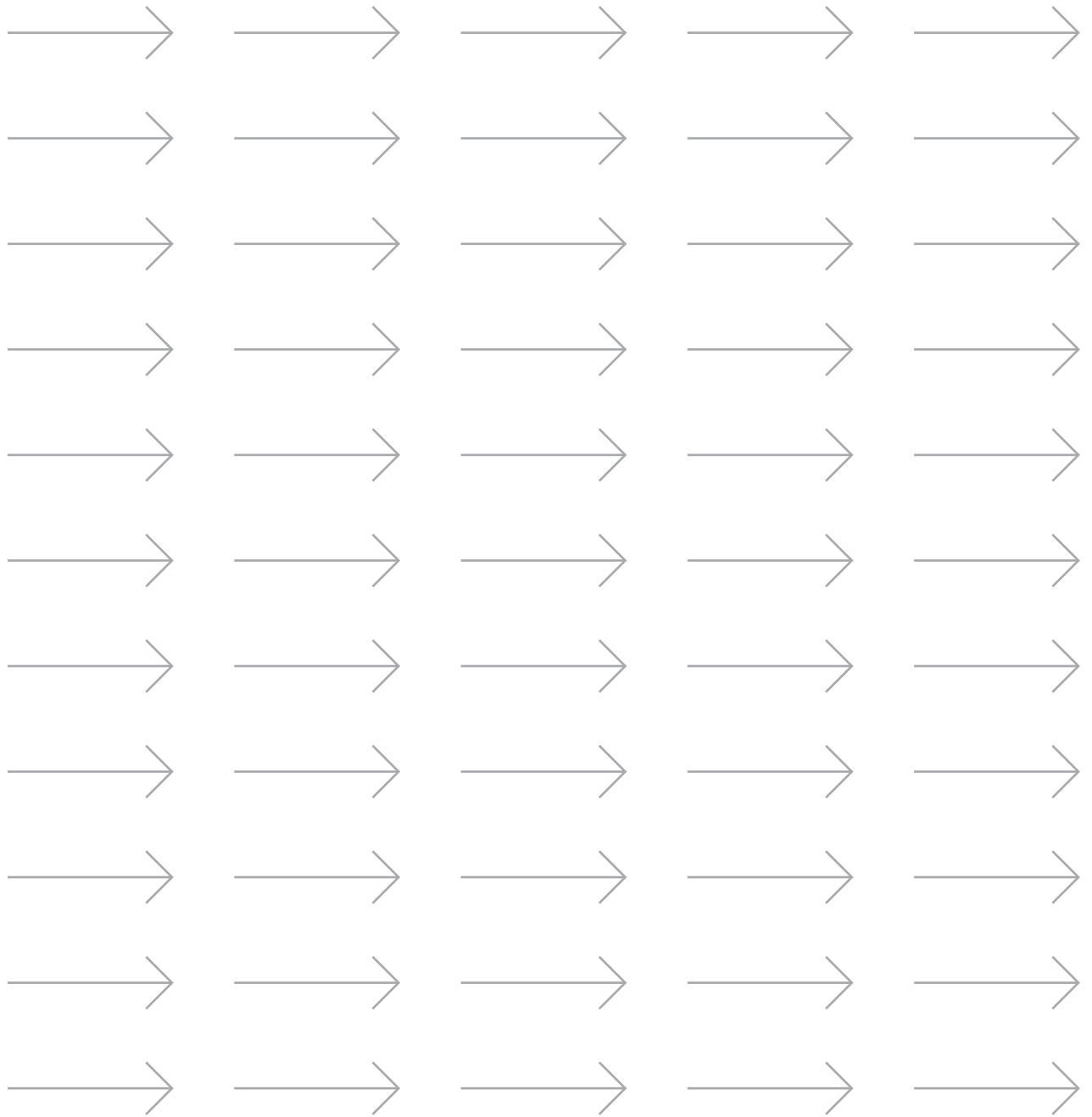
At this 25-year milestone, Advent can look back on a solid record of accomplishment and leadership, one that puts the company in a strong position for future growth. There are several reasons we believe that the next 25 years will be even more successful for Advent.

- We deliver award-winning, mission-critical products, and we have roadmaps for continual enhancements to keep us at the leading edge.
- We serve an increasingly complex, dynamic, and high-volume market, which will continually demand the sophisticated technology solutions that Advent provides.
- Advent enjoys a strong competitive position in a market with high barriers to new entry.
- Advent consistently achieves a high level of client satisfaction and loyalty.
- We have made significant inroads in our global expansion, with strong momentum in our European and Middle East regions, and strong response in Asia.
- We are successfully moving up-market into the larger firms that make the most significant technology investments.
- Our financial strength and stability enable us to reinvest a significant percentage of revenue in innovation every year.



Over the long term, we see a sizable and growing market opportunity in financial services, and a great future for Advent. As we celebrate our 25th anniversary, Advent today enjoys a position of unprecedented stability and strength, and we have every reason to believe that we can achieve our goals and extend our industry leadership for many years to come.

Form 10-K



Board of Directors

John H. Scully, Chairman of the Board
Managing Director, SPO Partners & Co.

Stephanie G. DiMarco, Director
Chief Executive Officer, Advent Software, Inc.

A. George (Skip) Battle, Director
Chairman of the Board, Fair Isaac Co.

Robert A. Ettl, Director
Managing Director, Allianz Global Investors

James D. Kirsner, Director
Independent Business Advisor

James P. Roemer, Director
Chairman of the Board (Retired),
ProQuest Company

Wendell G. Van Auken, Director
Managing Director, Mayfield Fund

Stockholder Information

Annual Meeting

The Annual Meeting of Stockholders will be held on Wednesday, May 7, 2008, at 9:00 a.m. at Advent Software, Inc., 600 Townsend Street, San Francisco, CA 94103. Copies of Advent's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, may be obtained without charge upon request to:

Investor Relations

Advent Software, Inc.
Heidi Flaherty
600 Townsend Street, Suite 500
San Francisco, CA 94103
(415) 645-1145

Independent Auditors

PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose, CA 95113

General Counsel

Wilson Sonsini Goodrich & Rosati
Professional Corporation
650 Page Mill Road
Palo Alto, CA 94304

Stock Information

Advent's common stock has traded on the NASDAQ Stock Market under the symbol ADVS since its initial public offering on November 15, 1995.

Advent has not paid cash dividends on its common stock and presently intends to continue this policy in order to retain its earnings for the development of the business.

Transfer Agent and Registrar

Computershare is the Transfer Agent and Registrar of Advent's common stock and maintains stockholder accounting records. Inquiries regarding lost certificates, consolidation of accounts, and changes in address, name, or ownership should be addressed to:

Computershare Investor Services
P.O. Box 43078
Providence, RI 02940-3078
(781) 575-2879
www.computershare.com

Corporate Officers



Stephanie DiMarco*
Chief Executive Officer



Craig Collins*
Chief Financial Officer



John Brennan*
Vice President,
Human Resources



Lily Chang*
Executive Vice President and
Chief Technology Officer



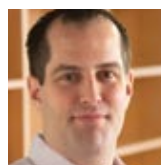
William Clemens
Vice President,
Straight Through Processing



Todd Gottula
Senior Vice President and
Co-Head, Global Accounts



Peter Hess*
Executive Vice President and
General Manager, IMG



Chris Momsen
Senior Vice President and
Co-Head, Global Accounts



Anthony Sperling
Senior Vice President,
Services

*SEC Reporting Officer

www.advent.com
NASDAQ: ADVS

©2008 Advent Software, Inc.®

Corporate Offices

Corporate Headquarters

Advent Software, Inc.
600 Townsend Street, Suite 500
San Francisco, CA 94103
Phone: (415) 543-7696
Fax: (415) 543-5070

New York Office

Advent Software, Inc.
666 Third Avenue, 31st Floor
New York, NY 10017
Phone: (212) 398-1188
Fax: (212) 819-1864

Boston Office

Advent Software, Inc.
70 Franklin Street
Boston, MA 02110
Phone: (617) 530-1000
Fax: (617) 951-3959

Principal EMEA Office

Advent Europe, Ltd.
One Bedford Avenue
WC1B 3AU London
United Kingdom
Phone: +44 (0)20 7631 9240
Fax: +44 (0)20 7631 9256
Email: emea@advent.com

Except for the historical information contained herein, the matters discussed in this Annual Report include forward-looking statements that involve known and unknown risks and uncertainties, including statements regarding Advent's future growth and financial prospects, the transition to a term license business model, planned new product introductions, Advent's strategy and the execution of such strategy, and 2008 as a year of accelerated growth for Advent. Readers are cautioned that these forward-looking statements are only predictions that may differ materially from Advent's actual future events or results, and readers should not place undue reliance on these forward-looking statements. Many of these risks and uncertainties are discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, a copy of which is enclosed herein, under the heading "Risk Factors." Readers are also referred to the other periodic reports filed by Advent with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof. Advent disclaims any intent or obligation to update these forward-looking statements.

www.advent.com NASDAQ: ADVS

