

GTCR invests in CAPTRUST

By Iris Dorian | Jun. 2nd, 2020

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GTCR has made an investment in Raleigh, North Carolina-based CAPTRUST Financial Advisors, an investment advisor. The investment puts CAPTRUST at a \$1.25 billion valuation. SunTrust Robinson Humphrey Inc advised GTCR on the transaction. And, Ardea Partners LP was financial advisor to CAPTRUST.

PRESS RELEASE

RALEIGH, N.C., June 2, 2020 /PRNewswire/ — CAPTRUST Financial Advisors (CAPTRUST) today announced that GTCR, a leading private equity firm, has made a 25 percent minority growth investment in CAPTRUST. This investment reflects a \$1.25 billion valuation of CAPTRUST, a substantial appreciation in value of the business, as CAPTRUST continues to grow and add services and capabilities. CAPTRUST's Co-Founder, Chairman, and CEO Fielding Miller, will continue to lead the firm and remain as the largest shareholder.

CAPTRUST began the process of identifying a capital partner in mid-2019. After completing 40 transactions since 2006, the firm was anticipating the opportunity to deploy additional capital to support its strategic plans to further expand the business nationally. After an extensive process, CAPTRUST selected GTCR as the ideal partner.

“We see tremendous opportunities ahead, and to execute them successfully, we needed a strong capital partner,” said Miller. “It was important to find a partner that not only understands our CAPTRUST mission, our people, and our strategy, but also respects our passionate commitment to independence and focus on the long term. GTCR has a notable track record of partnering with companies

considered to be best-in-class in their respective industries and helping them accelerate success.”

Chicago-based GTCR, founded in 1980, has a specialized focus on investing in growth companies in the financial services sector. The firm is investing in CAPTRUST with a minority interest and a minimum 7-year investment horizon, and it will hold two of the nine seats on the Board of Directors. The leadership and employees of CAPTRUST will continue to hold the majority interest in the firm following the transaction. A portion of the proceeds from the investment will provide partial liquidity to shareholders and a portion will be held as primary capital to fund acquisitions.

“We see great potential in the independent RIA space and believe that CAPTRUST is uniquely positioned to continue its extraordinary growth trajectory through the current market conditions and beyond,” said Collin Roche, Managing Director of GTCR. “They have a history of being aggressive when markets are uncertain, so this is an ideal time to partner with Fielding and his deep bench of talented professionals.”

“CAPTRUST has demonstrated itself to be a leader in wealth management for the high-net-worth, endowments, foundations, and institutional retirement markets. We look forward to supporting its organic and acquisition-driven growth,” added Mike Hollander, Managing Director of GTCR.

CAPTRUST has more than 700 employees and 43 offices in 21 states. The firm has more than \$390 billion in assets under advisement (AUA), including more than \$45 billion in managed assets for private clients and institutional investors. CAPTRUST has a philosophy of creating a path to equity ownership for every employee and currently has over 380 shareholders.

Ardea Partners LP served as exclusive financial advisor to CAPTRUST.

“We have known the team at Ardea for several years and regard them as the RIA industry’s leading investment banking and advisory firm. They helped us achieve a superior outcome for all CAPTRUST constituents that reflected our unique position in the market and have been our trusted, strategic advisor throughout this very complex process. We are thrilled with the result,” continued Miller. GTCR was represented by SunTrust Robinson Humphrey, Inc.

Additionally, Alston & Bird LLP served as CAPTRUST’s counsel and Kirkland & Ellis LLP served as GTCR’s counsel in this transaction. Additional terms of the deal were not disclosed.

About CAPTRUST Founded in 1997 in Raleigh, North Carolina, CAPTRUST is an independent registered investment advisor with more than 700 employees nationwide and \$390 billion in client assets under advisement (as of March 31, 2020). CAPTRUST has clients in all 50 states and provides investment advisory, asset management, and planning services to thousands of affluent private clients and institutional investors such as retirement plan fiduciaries, endowments, foundations, and religious entities.

To learn more, visit captrust.com.

About GTCR

Founded in 1980, GTCR is a leading private equity firm focused on investing in growth companies in the Financial Services & Technology, Growth Business Services, Technology, Media & Telecommunications, and Healthcare industries. The Chicago-based firm pioneered The Leaders Strategy™ – finding and partnering with management leaders in core domains to identify, acquire and build market-leading companies through transformational acquisitions and organic growth. Since its inception, GTCR has invested more than \$15 billion in over 200 companies. For more information, please visit www.gtcr.com.