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## [Private-Equity Firm GTCR Takes a Minority Stake in Wealth Manager Captrust](#)

Barron's

By Luisa Beltran  
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In a world where deals are few and far between, the market for wealth managers remains relatively strong. The latest example: GTCR has taken a 25% stake in Captrust Financial Advisors, in a deal that values the registered investment advisor at \$1.25 billion.

The Chicago buyout shop will have a minority stake in Captrust. Financial terms of the deal, which closed today, weren't disclosed. With the sale, GTCR is the largest investor in Captrust outside of management and its employees.

Captrust, of Raleigh, North Carolina, is an RIA with \$390 billion in client assets under advisement as of March 31. No job cuts or management changes are expected. Fielding Miller, Captrust's co-founder, chairman and CEO, will continue to lead the firm and own the biggest stake.

Some of the capital from the GTCR investment will allow Captrust's many shareholders—the wealth manager employs more than 700 employees; over 380 are Captrust shareholders and more than 200 are vested—to sell portions of their stakes, though no one is exiting completely. “There are a lot of happy people out here today,” Miller told Barron's.

Captrust began seeking a minority investor in fall 2019 and formed a small list of parties that it believed would make good partners, said Ben Goldstein, Captrust's president. It hired Brad Siegert of Ardea Partners in December to advise on the process.

GTCR knew Miller and the Captrust team for some time before Covid-19 began uprooting the U.S. economy, said Collin Roche, a managing director at GTCR. This allowed the private-equity firm to complete the deal in the midst of the crisis, he said. “[Captrust's] breadth and depth of capability and scale is pretty unique in the RIA universe,” Roche said. “They've grown consistently on an organic basis and have pursued high-quality acquisitions of leading franchises across the country.”

Captrust has completed 40 deals since 2006. It plans to use the funds to continue growing organically and through M&A, Goldstein said. Captrust does not follow a roll-up strategy, Goldstein said. “We fully integrate firms,” he said. “They join us and become shareholders. There is one brand, not multiple brands.”

Before the Covid-19 pandemic, wealth management was one of the hottest M&A sectors. Large transactions in 2019 included Charles Schwab (Ticker: SCHW) buying TD Ameritrade (AMTD) for \$26 billion, Warburg Pincus acquiring Kestra Financial for an estimated \$600 million to \$800 million, and Advisor Group selling to Reverence Capital for \$2.3 billion. Goldman Sachs scooped up Folio Financial in May of this year.

The pandemic will likely cause more wealth managers to merge, Miller said. Many firms have realized they were not prepared for the Covid-19 pandemic. Some firms didn't have their data in the cloud, or a disaster plan ready or even laptops to work from home, he said. They will need some level of investment to get those measures in place, he said. "If nothing else, they now understand that markets can be volatile for any number of reasons. It's a little bit of a wake-up call for sure," Miller said.

Alston & Bird provided legal advice to Captrust. Blake Jones of SunTrust Robinson Humphrey advised GTCR, while Kirkland & Ellis acted as their attorney.