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Private Equity Firm Takes Minority Stake in Captrust

GTCR will hold two of the wealth firm's nine board seats; Captrust executives and employees keep their majority interest.

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By Janet Levaux
June 2, 2020

The private equity firm GTCR has taken a minority stake in Captrust Financial Advisors, the firms said Tuesday.

As a result of the deal, Chicago-based GTCR will have a minority interest in about 25% of the wealth management firm, which is now valued at about \$1.25 billion. It also will hold two of nine Captrust board seats, while Captrust executives and employees will maintain the remaining seven board seats and their majority interest of 75%.

Raleigh, North Carolina-based Captrust says it began looking for a capital partner in mid-2019. The firm, which has about 240 financial advisors, has made about 40 deals since 2006 and was seeking further resources to expand its national operations.

"We see tremendous opportunities ahead, and to execute them successfully, we needed a strong capital partner," said Captrust Chairman and CEO Fielding Miller, in a statement.

Some proceeds from GTCR's investment will be given to shareholders, and the remainder will be used to fund acquisitions.

"We see great potential in the independent RIA space and believe that Captrust is uniquely positioned to continue its extraordinary growth," according to GTCR Managing Director 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," Roche added.

Recent Deals

Captrust bought Wilmington, North Carolina-based Fountain Financial Associates, which had \$654 million in assets and five advisors, earlier this year.

In 2019, the firm's acquisitions included Boston Advisors' Private Advisory Group, South Texas Money Management, Cornerstone Capital Advisors and McQueen, Ball & Associates.

As of March 31, Captrust had roughly 700 employees, some \$18 billion in wealth management assets and \$390 billion in assets under advisement.