



Monthly Company Update Agenda

Date: July 20, 2021

Topics Today

1. Re-entry
 - a. Safety precautions
 - b. COVID – what we accomplished
2. Leadership Topic – Communication
3. Business Update
4. Introduce two new senior hires
5. Update on two of our six strategic priorities
 - a. Extending the Client Value Proposition
 - b. Building the Brand
6. Lift out some exemplary efforts by two of our fellow colleagues
7. Share some announcements

Re-Entry to Offices

Per my communication to firm on May 21, 2021:

- It is time to get back to normal.
- Starting Monday June 14th, I want to encourage (not require) everyone that feels safe to begin coming back in.
- The official date when everyone was to return was July 12th.
- If you have health related circumstances reach out to HR by June 30th and let them know about your situation.

As announced last week we are back up and running in the offices (minor exceptions)



Reiterate our policies for reentry – all about our mutual efforts to keep each other safe and healthy.

- ✓ Pay attention to the new Delta variant – it is real and spreading quickly
- ✓ It almost exclusively infects those not vaccinated – 97% to 99% depending on the news source.
- ✓ Much more contagious than the initial coronavirus strain.
- ✓ Please understand, this is very serious – if you have not been vaccinated, I want you to reconsider your decision.
- ✓ If not vaccinated, please wear a mask – not going to police each other – we always live by our core values – in this case our integrity and accountability,
- ✓ Not a mandate – we are all adults but if the Delta variant gets out of hand, we might have to revisit this approach.

COVID Accomplishments

Refer to slide - By the numbers of accomplishments during 15 months of COVID19.

Return to Office - Business Attire

For years, a relaxed dress code has been cited in our employee engagement surveys – my belief has always been its better to over dress than underdress – I am totally old school, going with suit and tie since 1984.

But I have been worn down by all our millennials – asked Mark and the HR team to look into some new ideas for attire standards

June 9, 2021 - Goldstein Email – Attire Standards



- A team of 11 colleagues (six women and five men) collaborated on the new standards
- Relaxing the guidelines for all from Memorial Day to Labor Day
- Non-client facing colleagues have the option to dress in business casual as defined in the new standards guide – this is year round
- We are continuing to allow Regional Office Principals to set attire standards for their office personnel as appropriate for our clients
- Please take the standards seriously – as stewards of our client's financial lives, we owe it to them to dress and act professionally

Leadership Lesson – Communication

- To continue our success, it is important that we work hard to ensure everyone is up to date on why we exist, where we are going, how we will get there and what you can do to help
- Everyone has a voice
- Transparency is key – especially with the difficult stuff
- Many communication methods we use:
 - Weekly eBriefs
 - Monthly updates
 - Ad hoc Allego updates
 - Quarterly shareholder distribution meetings
 - Shareholder retreat
 - Advisor boot camps
 - Advisor Kick Off
 - CapConnect Home Page
 - Employee Survey
 - And in particular - Synergy



Synergy - Background

Yesterday was another example of a fantastic production of Synergy – over 600 tuned in and others can get up to speed with the recordings

The behind-the-scenes work is way beyond what most of us would expect

Kudos to the Productions Team

- ✓ Colby Warren
- ✓ Kathleen Hopkins
- ✓ Ben Farmer
- ✓ Lonzetta Allen
- ✓ Ken Carter

The panelists and moderators were, as always, prepared, and informative

Included

- ✓ John Maloney – WH 2020
- ✓ Jim Underwood – WH 2020
- ✓ Michele Scarver – STMM 2019
- ✓ Teri Grubb – STMM 2019

Quarterly Synergy has historically been the most significant method for informing everyone is our quarterly, firm wide update

How it has evolved

- ✓ Two partners with 3 advisors – talking through business development tactics



- ✓ Shifted to an investment group download
- ✓ Post 2009 - shifted to focusing on the more holistic aspects of our value proposition (TRI project)
- ✓ Pushed the investment updates to other communication methods – brain sharks, videos, the One Demand App, etc.
- ✓ In 2016 we shifted our focus again, to panel discussions from our top advisors and SMEs on
 - Creating a more consistent and impactful client narrative
 - Sharing of client service best practices
 - Sharing of business development ideas
 - Live streamed, recorded
 - Now a full-time studio

To summarize, our communication goals are:

- ✓ To have a collaborative, engaged and informed culture – we must communicate regularly, transparently, and repetitively – always working to evolve and improve our efforts

Business Update

Despite the headwinds, we continue to hit on all cylinders.

- ✓ Financially we are ahead of budget on revenues and earnings – and it was an ambitious budget
 - Revenue +47% YOY
 - \$86 million in one quarter!
 - Organic growth remains robust – already brought in over \$15 million in new revenue YTD – well ahead of annual goal of \$20 million - accelerating
 - Lead Generation gaining momentum – digital marketing, Smart Asset, Schwab and Fidelity referral programs and the Bridge – all yielding fruit and gaining momentum



- \$160MM in new capital from GTCR
- Zero net debt!
- One year after the GTCR investment, our stock has increased by 55%. Those that thought they missed the boat – the boat is only accelerating.

Senior Leadership

Refer to slide

- Robert Miller - CFO
- Marc Hermer – Director of Operations and Trading
- Andrew Raggio – Promoted to Head of Trading
- Margaret Jarocki – Transfers over to lead the integrations teams

Board of Directors Update

Refer to COVID Results Slide

Update on two strategic priorities

Extending the Client Value Proposition

Refer to Institutional Slide

- ✓ Centralized Client Onboarding
- ✓ OCIO Buildout - James Stenstrom is leading a team
 - Sales effectiveness - update pitch decks, narrative on the alternatives story, consistency of messaging (story telling), RFP responses



- Operational - more efficiencies with model approach, process engineering, push to model portfolios, push to fewer custodians - small banks, etc.
 - Reporting has been a problem, lots of manual entry. Investing in a new client reporting system - Investment metrics signed 7/1, will be end of year
- ✓ Converting Freedom 401k from Newport to Milliman:
 - As of June, all of our Freedom401k plans have successfully transitioned from Newport to Milliman.
 - Great outcome for our nearly 250 clients who weren't receiving the recordkeeping service they deserved.
 - Clarkston team and the PAS desk
 - Transition behind us – great small plan discretionary solution.
- ✓ DC asset-class CITs
 - Jennifer Doss mentioned this in the retirement plan business line update, but I wanted to reiterate that these are set to launch in August to restate the importance of this.
 - Collectives provide a tool that allows us to scale and more rapidly grow our DC 3(38) business
 - Use our leverage to achieve lower cost solutions than the average standalone funds being used today
 - Participant experience is also meaningfully better in these collectives as this removes the disruption that comes with the inevitable periodic fund change.



Refer to Wealth Management Slide

- ✓ New services - BillPay, Cybersecurity Concierge and Family Governance launch.
- ✓ Digital Onboarding

Building the Brand

Refer to 3 slides

- ✓ Long Game
- ✓ National brand is the vision – locally our brand is the same as it has ever been – our local colleagues are the brand. Serving clients and the community – and great at both.
- ✓ National brand designed to support the local efforts
 - Future is about content – video, Vested, etc. – investing ahead as always – we world class content and just getting started.
- ✓ FA Magazine - #1 RIA for sixth year in a row

Webinar on Cyber

- ✓ 789/419 attended
- ✓ Becoming an advantage for us - RFP questions – gaining with each one – real differentiator
- ✓ Colonial Pipeline 2



Client Webinar

- ✓ Next client webinar is July 22nd – over 1,000 already signed up

Brand Development Going forward

- ✓ More money to digital lead generation – proof of concept - \$1 million
- ✓ More focus on Niche Marketing
 - Catholic dioceses
 - Higher education institutions
 - Looming corporate actions
 - Industry associations
 - Women investors
 - Professional Athletes
 - Corporate Executives

Refer to M&A Slide

- ✓ Acceleration observation

Announcements

- ✓ 925 colleagues +151 YTD
- ✓ Innovation Day
 - In 2020, we launched our first companywide innovation day. Continuous innovation has been critically important as we compete for the future, so we are continuing our efforts with our second annual Innovation Day,
 - We've received 15 submissions



- Kyle Gaul is leading the effort again and he and his are working with each of the innovators to prepare for presentation to the Skunk Works team for review.
- Finalists will present at Innovation Day this fall.
- 9 finalists from last year - and they received \$1,000 in MIUs, a really cool innovation brick and offer to attend Skunk Works sessions.

Annual Employee Survey

- ✓ Launch in August – goals for the survey:
 - Fulfill our mission to enrich the lives of all our colleagues
 - Give a voice to all colleagues
 - Solicit ideas for improvements and innovations
 - Identify trouble spots before they escalate
- Based on last years' survey we made a change to our 2021-2 benefit plans.
 - ✓ Effective July 1st, 2021 – we upgraded both our paid maternity to leave to 8 weeks regardless of type of delivery (natural birth or a C-Section) and our paid paternal leave to 4 weeks.
 - ✓ Colleagues who give birth to a baby can now take up-to 12 weeks of paid leave. Parents who adopt or whose spouse or partner give birth can take up to 4 weeks of paid leave.

CAPTRUST Community Foundation (from Phil D'Unger)

- The **inaugural CCF Pancake Breakfast Trophy Competition** raised over \$6,500 for the foundation. We had a very tight competition with Texas, Tampa and ATL- Stockbridge being the



top three in funds raised. The Trophy was looking at the per capita participation of each office. The 2021 Winner of the trophy is our colleagues in the ATL -Stockbridge office. This is an amazing participation from one of our newer offices. Thank you for your participation everyone.

- **Giving Day August 13th, 2021** – All physical office locations should pick one organization to lift up and submit by July 31st. Please send your selections to the volunteer4CCF inbox. If you have any questions, please reach out to Philip D’Unger

CAPTRUST Way (from Jeremy Altfeder/Devyn Duex)

- **Lots of fun activities coming soon**
 - ✓ CAPTRUST Way Game Nights
 - ✓ July 22nd Paint & Sip (back by popular demand)
 - ✓ August 19th BINGO
 - ✓ CAPTRUST Got Talent- Submissions Open now through end of September, check out the CAPTRUST Got Talent Allego Channel for more details and to submit – everyone is encouraged!

Excellence Awards

Explain purpose of awards

Deanna Bamford (Senior Financial Advisor, Santa Barbara office)

- Founding member of the CAPTRUST Women’s Initiative, stepping up this year to be co-leader of the Small Groups



- Founding member of the FA-RM Quarterly Roundtable group which provides a platform to share ideas, collaborate, and leverage content to scale across the firm
- Named to the NAPA Top Women Advisors for the 2nd year -- an esteemed honor
- “Everyone who meets Deanna is drawn to her humble, intelligent, and caring personality. She’s truly a role model for so many at the firm”

Kara Chase (Senior Administrative Associate, Raleigh)

- In addition to supporting our CEO...
- Provides administrative support to our employee resource groups.
- “Kara’s attitude is positively contagious and she is consistently looking for ways to make us better. It is a true honor to be able to work with [her].”

Both are wonderful examples of what our excellence awards encapsulate. Creative, responsive, collaborative and great can-do attitudes!!

Well done Deanna and Kara

Closing

Let’s be proud of who we are, the work we are doing and the impact we are having.

I count my blessings every day – having the opportunity to partner with all of you is one of my greatest blessings.



Thanks for all you have done and continue to do to make CAPTRUST a wonderful place.