



Reverence Capital Partners agrees to buy Advisor Group from Lightyear Capital and PSP Investments

- *Transaction will strengthen Advisor Group's leadership as one of the largest networks of independent financial advisors in the U.S.*
- *Reverence Capital to build on Advisor Group's growth momentum, technology innovation and commitment to service*

NEW YORK, May 9, 2019 – Reverence Capital Partners, a private investment firm focused on investing in financial services businesses, announced today that it has agreed to acquire Advisor Group Inc., a leading independent wealth management platform, which supports over 7,000 financial advisors with \$268 billion of client assets.

Advisor Group is well positioned to benefit from the soaring demand for both wealth management solutions and independent advisors offering best-in-class technology platforms. Reverence Capital's acquisition of Advisor Group also provides the company with the increased financial and operational resources needed to achieve critical scale.

"We are extremely fortunate to bring such a highly sought after and respected business into our investment portfolio," said Milton Berlinski, Co-Founder and Managing Partner of Reverence Capital. "Advisor Group is one of the premier wealth management platforms in the U.S. and together with Reverence Capital's investment, wealth management expertise and industry relationships, the company is uniquely positioned to identify and tackle growth opportunities across the business."

Mr. Berlinski continued: "Reverence Capital is investing in a strong and experienced management team. We look forward to working closely with them every step of the way."

Jamie Price, Advisor Group President and Chief Executive Officer, said: "Our management team is excited to work closely with Reverence Capital to continue our growth momentum and success in serving independent financial advisors and their clients across the country. In Reverence Capital, we have found a well-resourced private equity partner that thoroughly understands our business, and shares our commitment to continuously invest in technology and other resources that drive success for our financial advisors. Our company's industry leadership is a testament to the dedication and energy of the financial advisors we are privileged to support. And as we move forward with our new owners, our emphasis on always being in our advisors' corner will remain central to all that we do."

Under the terms of the transaction, Mr. Price will continue to serve as President and Chief Executive Officer of Advisor Group, leading the existing management team for the company as well as continuing to serve on its Board along with representatives from Lightyear Capital, PSP Investments and other members to be selected by Reverence Capital Partners in the coming weeks.

As part of the transaction, Advisor Group, in coordination with Reverence Capital, expects to establish an advisor recognition and retention program, with details to be announced between signing and close.



Business To Remain Independent

It will remain business as usual for financial advisors and employees under the new ownership structure, under which Advisor Group will continue to operate as an independent and privately-held company, under the existing brands and organizational structure of the company and its four member firms: FSC Securities Corporation, Royal Alliance Associates, Inc., SagePoint Financial, Inc., and Woodbury Financial Services, Inc.

Valerie Brown stated: "Having worked closely with Lightyear and PSP in reviewing potential transaction partners, I am confident that Reverence Capital Partners are ideal new owners that can intensify Advisor Group's growth momentum, while supporting our priority on investing in solutions that enable our advisors to best serve their clients and achieve their business goals."

"Through operational improvements, increased efficiencies and a heightened focus on advisor recruitment, Advisor Group will continue to accelerate its growth and profitability," Mr. Berlinski said. "In addition, we expect to continue Advisor Group's leadership position as an experienced acquirer of wealth management platforms."

Terms of Agreement

Under terms of the agreement, Reverence Capital will purchase 75% of Advisor Group. Lightyear Capital, a New York-based private equity firm focused on financial services, and PSP Investments, one of Canada's largest pension investment managers, are expected to maintain up to a 25% stake in the company. Lightyear and PSP purchased Advisor Group in March 2016. Financial terms were not disclosed.

Reverence Capital's acquisition of Advisor Group is subject to customary regulatory and other approvals and is projected to be completed in the third quarter of this year.

Barclays Capital served as financial advisor and Simpson Thacher acted as legal counsel to Advisor Group. Kirkland and Ellis LLP acted as legal counsel to Reverence Capital in connection with the transaction and Davis Polk & Wardell LLP acted as legal fund counsel to Reverence Capital in connection with syndication of the transaction.

About Reverence Capital Partners

Reverence Capital Partners is a private investment firm focused on thematic investing in leading global, middle-market Financial Services businesses through control and influence oriented investments in 5 sectors: (1) Depositories and Finance Companies, (2) Asset and Wealth Management, (3) Insurance, (4) Capital Markets and (5) Financial Technology/Payments. The firm was founded in 2013, by Milton Berlinski, Peter Aberg and Alex Chulack, who collectively bring over 90 years of advisory and investing experience across a wide range of financial services sectors. For more information visit www.reverencecapital.com.



About Advisor Group

Advisor Group, Inc. is one of the nation's largest networks of independent financial advisors serving over 7,000 advisors and overseeing more than \$250 billion in client assets. Headquartered in Phoenix, AZ, the firm is mission-driven to support the heroic role that advisors can play in the lives of their clients, offering securities and investment advisory services through its subsidiaries FSC Securities Corp., Royal Alliance Associates Inc., SagePoint Financial, Inc. and Woodbury Financial Services, Inc., as broker/dealers, registered investment advisors and members of FINRA and SIPC. Cultivating a spirit of entrepreneurship and independence, Advisor Group champions the enduring value of financial advisors and is committed to being in their corner every step of the way. For more information visit <http://www.advisorgroup.com>.

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