

GTCR and Reverence Capital Partners to Acquire Wells Fargo Asset Management

Leading private equity firms to partner with management, portfolio managers, and employees to establish the Wells Fargo unit as an independent company

- **As an independent company, Wells Fargo Asset Management will operate with the singular focus of best serving the needs of its global institutional, retirement, and wealth management clients**
- **GTCR and Reverence Capital are focused on investing in the franchise to support sustained growth of the business, building upon the company's culture of investment performance, innovative solutions, and client service**
- **The business will continue be led by CEO Nico Marais and other senior managers of WFAM**
- **Joseph A. Sullivan, the former Chairman and CEO of Legg Mason, will join as Executive Chairman following closing**

Chicago and New York – February 23, 2021 – GTCR LLC and Reverence Capital Partners, L.P. announced today that they have signed a definitive agreement to acquire Wells Fargo Asset Management (“WFAM”) from Wells Fargo & Co. WFAM is a leading asset management firm with more than \$600 billion in assets under management and investment capabilities across diverse asset classes. GTCR and Reverence Capital will partner with the management, portfolio managers, and employees of WFAM to complete and fund the transaction. Under the terms of the agreement, the purchase price is \$2.1 billion.

Following the closing, management, portfolio managers, and employees are expected to hold a significant share of the company's equity interests. As part of the transaction, Wells Fargo will own a non-controlling, 9.9% equity interest and will continue to serve as an important client and distribution partner. The transaction is expected to close in the second half of 2021 following the receipt of regulatory approvals and contractual consents.

The transaction will strengthen WFAM's position as a high-performing asset management firm and allow it to operate with the singular focus of best serving the needs of its global institutional, retirement and wealth management clients. As an independent company, WFAM will further enhance its focus on investment performance, innovative solutions, and client service. GTCR and Reverence Capital are committed to market-based compensation and incentive structures that align the employees' interests with the success of the firm, which is expected to contribute to the ongoing retention of high caliber portfolio managers and investment professionals. GTCR and Reverence Capital expect to make substantial investments in technology and operational effectiveness, as well as distribution and client support.

WFAM will continue to be led by CEO Nico Marais, who joined in 2017 and became CEO in 2019. Mr. Marais previously held senior roles at Schroders, BlackRock, and Barclays Global Investors. Mr. Marais will also serve on the company's Board of Directors. Other existing management team members of WFAM are expected to remain, with moderate changes to better align the organization as a standalone firm.

Additionally, Joseph A. Sullivan will join the company following closing as Executive Chairman. Mr. Sullivan brings over 40 years of experience in financial services and asset management, and he was previously CEO



of Legg Mason from 2012 to 2020 and Chairman of the Board from 2014 to 2020. Mr. Sullivan will work closely with Mr. Marais, other managers and the Board of Directors on governance and strategic priorities.

GTCR and Reverence Capital are leading private equity firms with substantial experience in the asset management segment in which WFAM operates, as well as adjacent areas of financial services. Both firms have a management-driven approach and longer-term investment orientation.

Based in Chicago and founded in 1980, GTCR seeks to partner with exceptional management leaders who have strong track records of equity value creation to identify, acquire, and build market-leading companies in its core industry domains. GTCR will invest in WFAM from GTCR Fund XIII, a private equity fund raised in 2020 with \$7.5 billion of limited partner capital commitments.

Based in New York and founded in 2013, Reverence Capital focuses on thematic investing in leading global, middle-market financial services businesses through control and influence-oriented investments. Reverence Capital will invest out of Reverence Capital Partners Opportunities Fund II, an investment pool with \$1.2 billion of limited partner commitments which was raised in 2020.

Collin Roche, Managing Director of GTCR, said: “We are thrilled to work with Nico and the team at WFAM, and we have tremendous conviction in the caliber and capabilities of the management professionals and leadership team. The organization is poised to provide further innovation in the investment marketplace while continuing to deliver high quality products to its clients. The team, underpinned by its diversity, client-orientation, and collaborative culture, has delivered strong performance, and we will work to reinforce these values and sustain this performance. Along with our partners at Reverence Capital, we are committed to the long-term success of the organization.”

Milton Berlinski, Co-Founder and Managing Partner of Reverence Capital Partners, said: “We are very enthusiastic about this exceptional opportunity to partner with such talented investment professionals and to create an independent company that will grow over the long term and further enhance its innovative products and creative solutions for its clients. As an independent organization, WFAM will pivot to the next phase of its growth, and is positioned to expand on its solutions-based approach, multi-asset offerings, retail separately managed accounts and customized investment products.”

“This transaction represents a significant milestone in the growth and evolution of our firm,” said Mr. Marais. “Through this new partnership, our business will be even better positioned to execute our strategy and provide our clients with innovative products and solutions to help them reach their investment goals. I look forward to working closely with Joe Sullivan, GTCR, and Reverence Capital on this next phase of our journey.”

Mr. Sullivan commented on the transaction and the opportunity: “As a result of the transaction, the organization has the potential to become a leading scale asset management business with a focus on client outcomes and creative solutions in all of the markets that it serves. It is an honor to have the opportunity to work with Nico and the management team to further extend the reach and success of this business. I believe that this transition into independent ownership will be a catalyst for growth and innovation, and it represents an opportunity to re-invest in the business and build a more entrepreneurial operating model from within the organization.”



Broadhaven Capital Partners and UBS Investment Bank served as financial advisors to the buyers relative to the transaction, with additional financial advice rendered by RBC Capital Markets and Perella Weinberg Partners. Kirkland & Ellis LLP provided legal counsel.

About GTCR

Founded in 1980, GTCR is a leading private equity firm focused on investing in growth companies in the Healthcare, Financial Services & Technology, Technology, Media & Telecommunications, and Growth Business Services 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 \$20 billion in over 250 companies. For more information, please visit www.gtcr.com.

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 Wells Fargo Asset Management

Wells Fargo Asset Management (WFAM) is the trade name for certain investment advisory/ management firms owned by Wells Fargo & Company. These firms include but are not limited to Wells Capital Management Incorporated and Wells Fargo Funds Management, LLC. Certain products managed by WFAM entities are distributed by Wells Fargo Funds Distributor, LLC (a broker/dealer and Member FINRA).

At Wells Fargo Asset Management, we put the client at the center of everything we do. Our commitment: Help clients achieve what matters most to them on their path to financial well-being. We do this by channeling the collective wisdom of our specialized investment teams (backed by over 500 investment professionals) into solutions designed to help meet clients' goals. We place a relentless focus on pursuing consistent and positive risk-adjusted returns, with the support of our independent risk management teams. Together, we strive to help our clients build portfolios aimed at generating successful outcomes and defending them against uncertainty.

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