

Please note: This is a transcription so there may be slight grammatical errors.

Welcome to today's webinar, how RIA owners are thinking about M&A. Before we get started, I'd like to go over a few items so you know how to participate in today's event. You've joined the presentation, listening using your computer speaker system by default. If you'd prefer to join over the telephone, just select phone in the audio pane and the dial-in information will be displayed.

You will have the opportunity to submit text questions to today's presenters by typing your questions into the question pane of the control panel. You may send in your questions at any time during the presentation. We will collect these and address them during the Q&A session at the end of today's presentation. Today's webinar is being recorded and you'll receive a follow-up email within 24 to 48 hours with a link to view the recording. I'd now like to introduce Rush Benton, senior director of strategic growth at CAPTRUST.

Rush Benton:

Thank you. Thank you. Hello, out there in TV-land. Thanks for joining us. We appreciate it very much. This is the first in a series of these that we hope to do that hopefully you'll find to be a benefit. We're going to talk about some trends in the industry, and we're going to bring in some of the top folks from CAPTRUST to address those topics with us.

So, today I'm really pleased to be joined by my good friend and my associate who happens to have the same birthday that I have, and I believe we also had the exact same first car in high school. So, happy to introduce Rick Shoff. Rick, you want to tell us a little bit about yourself?

Rick Shoff:

Yeah, sure, Rush. Both of those are true, by the way. Good afternoon, everybody. So yeah, Rick Shoff here, managing director in our advisor group. Just quick overview, I've been at CAPTRUST now for 14 years, which is even hard for me to believe. Prior to that, I was founder and CEO and had my own RIA for 16 years. And so, most of my time now is spent working with our advisors to drive organic growth, which is still our main event, finding clients and keeping those promises. And of course, working with Rush and the team to grow inorganically through M&A.

Rush Benton:

Thank you, Rick. This is going to be a fun conversation, I hope. And I also want to remind you that you can submit questions and we hope to get to some of those here at the end of the session. I know the market's been rough today and we really appreciate your joining. There's obviously a lot going on out there with a number of things in our country, and we just hope everyone's well, and we really appreciate your taking time to be with us today.

What we're going to talk about is the three big topics, I guess, in the industry, succession, M&A, and scale. And we're going to talk about how those things relate to each other. But before we get to that, we have had an eventful week in the life of CAPTRUST. I'm sure many of you may have seen the fact that we made a significant announcement last week that we have a new minority partner at CAPTRUST, GTCR, one of the top private equity firms in the industry has taken a 25% stake in CAPTRUST. And we also released this morning our latest acquisition. So, you may have seen that press release or some news on that. Lakeside Wealth Management joined us.

And so, let's talk about those things just for a minute, Rick, and answer any questions that are probably out there. And I would just kick it off by saying, why private equity? Why GTCR? And why now?

Rick Shoff:

Yeah. Well, I would say there's a lot of things to consider, but primarily that decision for, why now? Rush, was that we've done 41 transactions and each time we do one, they get progressively more sophisticated. And as an organization we get progressively more sophisticated, more complex. And so, we just knew that we would need additional capital to fuel our growth. I mean, that was a big reason that we did it.

And I think a lot of people know, but just in case, historically, we've always reinvested half of our capital back into growing the business. So, we were not using all our capital by a long shot, to do acquisitions, and we intend to continue to do that. So, that need for growth capital was there. But in addition to that, the decision to bring in GTCR also provided a partial liquidity opportunity for some of our vested shareholders. If they wanted to take, it wasn't required. Each shareholder could make that decision. So, it was really to fuel our growth, the growth capital, but also to provide some partial liquidity.

Rush Benton:

Yeah. I think it's important to note that, that liquidity option, particularly when you're an employee-owned company, as I'm sure most of the folks out there listening to this are probably employee-owned, but we had very widespread employee ownership. I think we had 250 or so, 250 vested shareholders with a whole bunch more that were in the vesting process. And so, that's a burden to bear. Right? You want to be able to provide liquidity to everyone, and we've been able to do that and could have continued to do that going forward. But definitely having really deep pockets to give us the opportunity to take advantage of what we see are just tremendous opportunities in the marketplace right now, is really exciting.

And I just want to add one more thing here, and Rick, you can add to this as well, but it was not a secret that this was a really, a very attractive valuation. So, if you're out there and you're thinking about selling your business, you're probably thinking, "Valuations are great right now." And as a company that just sold a small piece of our business, we can confirm valuations are very good, but what I think is really interesting about that is that it really confirms our business model.

I found it very validating that all the hard work that goes into acquisitions and the integration of firms onto one platform, into one company, which is not easy to do, but it's the right way to do it. And that's the only way you can build scale, we believe, and we've always said that if we do that, we'll get a higher valuation for this business than if we didn't do that. So, I found it very confirming of our business model and what we're doing, and that all relates to scale. And it's important, I think, to see the number of conversations that are taking place there. So, Rick, you want to add anything about just the valuation comment there?

Rick Shoff:

No, but I do think it was an atypical transaction in that at least in our experience, a lot of private equity firms want majority interest and they're not long-term investors. And the fact that GTCR was a minority investor and it's a long-term commitment, I think is atypical, but obviously good for everybody, and particularly in light of our valuation and also the fact it was a minority interest is something worth noting.

And then, at the time, Rush, we had 387 shareholders out of our 700 employees. And so, the fact that we are still employee-managed after bringing on GTCR, I think is also very unique and atypical and it's fundamental to who we are and our culture. So, those things, in addition to the valuation. And how we think, obviously GTCR is a great partner. Those things were really important to us and we were pretty pleased with those outcomes.

Rush Benton:

Yep. And they definitely invested for the future. I mean, these are smart people, they are looking for a good return on their capital. So, I think they're taking a long-term view of where CAPTRUST can be at some point, and it's not just about what we've done in the past. So, really excited about that.

So, we may have some more questions on that later, we'll get around to those. But let's shift to the topic for today, which is really to talk about succession, and M&A, and scale. How are those related and what's going on in the industry right now? What are we seeing as active buyers? Some of you out there may be tuning in because you're also an active buyer and looking to grow your practice that way. Others may be thinking about, "Is now the time to do something?" So, hopefully this conversation will be helpful across the board.

So, Rick, it's fun for me because I get to pick on you and ask all these questions, but I guess you were the first firm to fold into CAPTRUST when our CEO and Founder, Fielding Miller ... Who's a great guy, by the way. If you haven't met Fielding, you really should get to know him. I'm sure he's not listening, there's no intent here. But anyway, you were one of the first ones to fold in. Tell us a little bit about your thinking back then. Why did you do that? What were you looking to solve? And what's changed since then?

Rick Shoff:

Yeah. Well, I think technically I was the second one, but there was one right before me, but I still would like to think I was-

Rush Benton:

You were the best, anyway.

Rick Shoff:

I was certainly one of the first. Yeah. Yeah. Yeah. So, it's interesting, I'm sometimes hesitant to share my own experience on this because every group ... There's 41, including me, groups that decided to fold in and help us get better together, and each one's different. They have different catalysts. They have different needs. But what I've learned that there are some things that are pretty consistent across all those groups. And it was true for me.

So, again, remember it was 1991 when I started my business and then ran it for 16 years. And so, it was about a billion of AUA. I had six employees. I was mostly in the institutional space. I had a little bit of wealth management. But at the time, like a lot of the groups that join in with us, I felt like I was coming from a position of strength. I mean, I used to compete against CAPTRUST and people would say to me, "Hey, did you ever hear about CAPTRUST?" I'd be like, "No, I never heard of them." And I really didn't. So, I really didn't need to do anything.

But I felt like there was an opportunity if I could find the right people with common beliefs, consistent culture and strategies, that I thought there was this opportunity to do something really special. So, this was a while ago. So, even in 2004 when I started to really think about it, there were no national firms. There were still a lot of small firms.

And so, I did my walkabout for two years and I talked to banks, I talked to other competitors where I thought we could merge. And then, I met Fielding towards the end of the process. And where I'm going to bring this back to my story to what I think is consistent with a lot of groups that make this decision is that when I met with Fielding, I felt like he was camped out in my head for the last 10 years. He was thinking about all the same things I was thinking about. He was focused on all the same things, but there

was one huge difference between him and me is that he was actually doing it. All those things that I thought would be cool to do, he was actually doing it, and at the time I thought, "He's probably at least five years ahead of me."

So, that was that moment where I took that leap of doubt, said, "I want to fold in and help do this and get a five-year headstart. Tap into that scale." And remember, back then, I don't know, we probably had 50 or 60 people, but on a relative basis that was way more scale than I had. So, it's been interesting to see how that buying into scale and accelerating through a ceiling of complexity has been pretty consistent. So, that was a big part for why I ultimately pulled the trigger, was to get that headstart on moving forward.

Rush Benton:

Yeah. So, it was really about the future and building something special as opposed to cashing out. And I think the same is true today, don't you? I mean, even though we've grown significantly and we're a much bigger company, I don't know about you or folks on the call, but it just feels to me like we all have a long way to go. Right?

So, we have 700 employees. We're not exactly Morgan Stanley yet or Merrill Lynch, right? But we know that our industry is going to be defined by some large national firms that are fiduciaries, that do things the right way, and we all do that. But if we all get together, I think we can really create something special and help define the industry.

The thing that seems to be driving M&A more than anything right now is still succession. That is still the main issue, still the main event. And as I think about scale and M&A and succession together, my view is that there are three things you have to solve for to have a successful succession plan. Right? You got to have somebody who can actually manage the business. So, if you're a first-generation business owner, you're looking around and you're thinking, "Okay, who here can actually run the business and make those day-to-day decisions about who to hire, who's doing what, compensation?" All that stuff. So, you got to have somebody who can do that.

You obviously have to have somebody, or a team, that can take care of the clients. I mean, that's probably job number one. Right? But then you got to have somebody who can also provide liquidity, actually buy the business. So, succession to me is three different things. And I think a lot of firms have one or two of those things figured out, but very few without scale, I think, can have all three figured out. So, for example, when you joined CAPTRUST, Rick, and we can talk about Lakeside too, which we just announced today, and what motivated their transaction. When you join a fully built out firm, you really no longer have to worry about managing the business. I mean, we have a CEO, we have a CFO, we have a technology group. Right? You don't have to make those decisions anymore.

You have to have a good team that can take care of the clients, but to the extent that you have a certain type of client, let's say they're a really high net worth family, that's a little bit outside your main bread and butter client. And so, your G2 may not necessarily be able to handle that client. A bigger firm with many, many advisors across the country is going to have somebody, somewhere, that's pretty good at handling those kind of clients, as an example.

And then clearly, if you've got a firm that's well capitalized, you can take care of the liquidity part of the component. But growth is also really, really important to this because none of that works if you're not going to grow. And so, Rick, your joining CAPTRUST it seems to me was really more about the growth opportunity than anything else. You want to comment on that and what we see today, in today's environment from a growth standpoint?

Rick Shoff:

Well, I mean, maybe I'll tie it to the Lakeside Wealth Management-

Rush Benton:

Sure.

Rick Shoff:

... recent announcement, because I think that their reasoning was pretty consistent with some of the other groups that have joined us. So, we have this concept we talk about which is highest and best use, that we all have this thing that we love to do, that we think we do better than anybody, and the clients value the most. I mean, that's our highest and best use. And so, as we grow, as RIAs grow, founders and partners typically get away from their highest and best use, because there's just things that have to get done and usually the first thing that suffers is growth, right? You get focused on managing your people. And then when you get behind that curve, the growth curve, it's tough to ever catch up or get refocused on it.

So, for example, with Lakeside, and this was true for me as well, they recognized that and they believe that their highest and best use is the time they spend with their clients and prospective clients. And so, as they thought about their options, and of course, they looked at different options, we were obviously not their only choice, they were really focused on who could take things off of them, to your point, operations, research, but also who has a proven track record of growth post-deal and who can help them market when they're asleep at night?

And again, we have built a marketing group and a strategy where we can run campaigns, we can do it very targeted. We have grown. So, groups who have joined us, we can show the next group that the ones that came before them have accelerated their growth and it's because of all these things we do. It's also because we're one unified practice. It's not unusual for our oldest partner to jump on a plane and fly out to meet with our newest partner to go help them close a 401(k) plan that maybe they don't even know how to spell 401(k) because maybe they were not in that ... And not look for anything back in return.

So, I think all those things are part of what groups who join us see in us, and if they lean into that, they will grow. So, right now, our best growth strategy is warm selling. So, with thousands of clients we can connect the dots. Every wealth client has an employer. Each of those employers has a 401(k) plan. And so, because of the depth and resource ... So, I think those are some of the things, Rush, that groups that join us see and tap into, which is what causes them to grow. And it's all about growth at the end of the day. If you don't think you can grow, I don't know why you would sell your firm, honestly, unless it was just liquidity.

Rush Benton:

Right. Yeah, I think growth organically in this business, it's been difficult. The numbers don't lie that clients are always pulling money out because for the most part, they're retired and they're living off that money. So, it's hard to replace that. And with the markets starting to feel maybe a little topy and we're thinking about, "Gee, are we going to go into another long-term bear market here despite this massive bounce we've had in the last few weeks?"

I think rightfully so, a lot of firms are thinking about, "Well, how do I capitalize on the value I've built?" Or, "I'm not ready to do anything yet, but I'm not growing particularly quickly. So, do I do some inorganic stuff to boost the top line?" And I think that's a good strategy. I think there's nothing wrong with that. I think you need to be prepared to be very distracted from your day-to-day business, running your business, and if you think your business is worth a lot, so do they. Right?

So, valuations are up across the board and I think a lot of the growth within a market is a little bit, there's a lot of smoke there, but there's not much fire. I do think there are a handful of good regional firms that have moved out of that by doing some local tuck-ins, but they've developed an expertise in that and they've got the capital to do it and there's some really good folks doing that.

So, if you're not going to be able to grow inorganically and your organic growth has slowed down a little bit and you're a first-generation owner of an independent RIA and you're in your late 50s or early 60s or whatever, that's where I think the conversations get interesting. And so, I'd like to pivot a little bit here, Rick, to what's the current environment look like? Have you missed your chance to sell your business? How do you pick the right partner? How is deal structure play into this? It's an open-ended question, Rick, and you may want to use some of Lakeside's experience as you think about that. But let's talk about today's environment a little bit.

Rick Shoff:

Okay. Well, just to piggyback on what you were just sharing, Rush. I do think if some of the firms that are on the call today are growing through acquisition or are looking to do it that way, I would encourage you to think about a couple of things. Rush, you and I do this 10 times a week, have these conversations, but it will take a lot of time and it will be incredibly distracting. And so, if you're talking to a group and they say, "Look, I'm not for sale, but I'm always interested to see what's out there." "I'm not going to charge you for this because it's free advice." But I would always say, "Go out there and take a look and when you're done doing that, call me." Because all they're going to do is just waste a lot of time. Because you have to be willing, you have to have a catalyst.

And then also, if the dog does catch the car, eventually you need dedicated resources. I mean, there was a time where we were all player coaches. If we want to outsource the deal, close the deal, then the same people were integrating the deal. And now over time we've had to put dedicated people into those roles. And so, just keep that in mind if you're going to do more than one transaction.

Now, I would tell you in some ways it seems like everybody says things are different now, Rush. And I do think deals are more complex, there's more buyers, valuations are up. But what hasn't changed is that for two groups to come together, it really is a mutual assessment. It's not a buyer and a seller. It's really two buyers. And more like it, it's both sides buying and selling at the same time.

And so, if you can get into that type of mindset with another group, it's Yahtzee with respect to potentially coming together. And then, if you think about it as a mutual assessment, in other words, we're going to really take our time to make sure we have great cultural fit, client fit, value proposition fit, org design, and of course, economics. You'll find the right groups. There's no close at the end of that. The close is the process. And so, that was definitely true with Lakeside. We went through that process.

So, as Wilson Hoyle, one of our colleagues says, "Nothing happens without a relationship." And I do think relationships matter. So, the Lakeside relationship was 14 years in the making. So, if we're nothing else, we're persistent. But from the moment where we got really intentional to when we actually closed, it was one year to the day, and during that year we were going through this process. So, I think that's never going to change. So it's, "Why is it better for my clients? Why is it better for my team? Why is it better for the communities that I live in and my stakeholders?" And then ultimately, "Why are these economics better than my alternatives?"

So, I think it's interesting, Rush, when I hear people say, "It's too late." Or, "Things are different." I kind of say, "Yeah, they are." But in many respects that part of it, I think will never change. And I do think that if anybody's on the call has been part of a transaction, I suspect if you go back and replay, I bet you, you went through a similar mutual assessment process over some period of time. As we always say, Rush,

it's not like we can just walk into somebody's office and say, "Hey, I'm here to buy your firm today." And they sell it to us. Unfortunately, it hasn't worked that way up until now.

Rush Benton:

Yeah. Well, those are great words of advice, Rick. I especially love how you say there's not a buyer and a seller, there's really two buyers. Because if you really are just a seller for cash ... And there are some of those transactions happening, we've seen some good research here in the last week. So, John Furey and his team at Advisor Growth Strategies have done a nice job of looking at a bunch of transactions from last year and they've shown very clearly, and we've seen this in what we've done, that there's more cash being used than there used to be.

And we've seen some transactions that we looked at very closely, we like the people a lot, but they were basically saying, "I want 100% cash, but I'm still going to work hard five years." You give it a couple of months and they're at the beach house. I think, if you're a potential seller out there, it's very telling if all you want is cash, because there are buyers that will do that. One of the reasons valuations are up is that there are a lot of buyers with a lot of cash, trying to put that money to work.

And I started a holding company in 1997 and I had private equity backers and I had to push back on them to say, "Look, we're not going to buy anybody and everybody, it's about the right fit." We have private equity backers now too, minority at 25%, and we feel like we've picked the right partners and there's not going to be pressure to be putting money to work just for the sake of putting money to work, because it's always been very important to us that we build something together that's special, that's industry leading. And if you're not willing to buy into that by taking some equity in the deal, then it's sending the wrong message.

And one of the things that's occurred to me since this transaction with GTCR has been announced is two things, and one is, I feel like calling up people that I've talked to over the years, those 14-year relationships, Rick, that did not join us, and apologizing that I couldn't convince them to do it. Because it's significant, the value that's been created, the benefit to clients, the benefit to communities, the benefit to employees, but it's not too late, right? It's never too late for that to be an opportunity.

And it feels like in the conversations we're having, that pandemic has been a bit of a wake-up call or a call to action that has some people thinking, "Well, I hope I haven't missed my chance to do something. I've got to find the right partner. I've got to find the right solution." And I would just tell everybody out there that this industry, as I said earlier on, it is got a long way to go in consolidation. And if you look at other industries where people had good businesses that adopted early on into the consolidation of their industry, they really did very well if they picked the right partner. If you picked the wrong partner, obviously, maybe didn't work out.

But that opportunity exists and we're really excited about where we are and how we're positioned and the way the company's been built, the way it's managed. And we're looking forward to having a bunch more firms and good people hop on the bus with us, or the train, or however we want to describe it. So, with that, I think we might want to shift to questions. Rick, you have anything else you want to add to that?

Rick Shoff:

Real quick, you threw out maybe what we're seeing deal structure-wise.

Rush Benton:

Yeah.

Rick Shoff:

And so, couple of things I would share is that, and you've touched on it, Rush, I mean, cash versus equity. And we've always wanted folks that joined us to buy in, meaning they were trading their equity for our equity. And certainly, we knew that was expensive capital, but we did it because it was cultural. We wanted them to be our partner. But I do think that's an important consideration on deal terms.

And then, the other one that's played out with Lakeside is how tax effective the terms are, because if you have one group offering you a higher valuation, but it's less tax effective to you as the seller versus another group, you can't just look at the country club numbers, which is, "I got six times, you got nine." And so, I think those are the two things I've seen on terms that even I think I've overlooked in the past. And I do think some of the groups that were talking to us maybe didn't consider until we shined a light on it.

Rush Benton:

Yeah. One thing I'll add to that, just to clarify, because I realize we're so passionate about CAPTRUST and where we're going and what we're doing, and all of us, we're so invested in it that we talk a lot about the equity. And I don't want to give anybody the impression that if you do join us, it's 100% stock transaction. We have plenty of people who join us and they take plenty of cash off the table, but they got to be willing to roll something.

And for those that we've talked to in the last year who weren't willing to roll anything and took all cash from somebody else, I would just point them to the valuation that we got last week and hope their cash did really well over the last year or so. So, this has been really fun. I don't know, David Wallen, are you out there? You've been monitoring things. Do you have any questions for us?

Dave:

Yeah. Thanks, Rush. Couple questions here. First one of them is, "Did you consider taking PPP loans instead of PE money?"

Rush Benton:

That one's above the rim. Rick, I'll let you take that one.

Rick Shoff:

No. Rush, you're more passionate about that.

Rush Benton:

Well, first of all, absolutely not, it never crossed our mind that we would take PPP loans. And that really goes back to ... There's a lot around that and I know there's a lot of good firms that did do that. We don't quite understand why they would've done that in this industry compared to other industries that clearly were letting people go and all that.

But we've always been a really conservatively managed business and we've been conservatively managed in terms of our balance sheet and the amount of debt we've been willing to take on, because we want to be able to play offense when everybody else is playing defense. And in fact, that was one of the reasons we wanted to go ahead and get some more capital through a capital partner is that we wanted to be ready when things really got bad, because we want to be aggressive in that. We always have been, and I think always will be.

So, we didn't need the capital, but we wanted to have it available to play more offense when everybody else was playing defense. We just didn't know there was going to be a global pandemic that would happen in the middle of our process of raising that money. But no, no PPP money at all for CAPTRUST and we certainly didn't need it.

Dave:

Right. A couple coming in, just going through them. I think I know where this is coming from. "Do you recommend that selling firms hire an advisory firm to assist with their process?"

Rush Benton:

Well, let me say hello to our advisory firm friends out there who are listening in. Look, I think an advisor can be helpful. We've done a number of transactions where we just have relationships with firms and they've gotten to know us over the years and it's been easy, I think, for them to get to know other firms, because there are a lot of active buyers and you can get to know who the buyers are and decide whether they're a good fit for you or not.

For those that need help, there's some great advisory firms out there, and I won't name them by name, but there are plenty that are very active, do a great job for their clients. So, we've worked on both sides of that fence, we can work with an advisor or direct with a firm that's looking to do a transaction.

Rick Shoff:

Yeah. I would just add that if you're a seller or an advisory firm, if you think back to what I mentioned earlier about how important the mutual assessment process is, is that I think both sides, the seller and the advisory firm need to encourage that and facilitate that. And even though sometimes when there is an advisor involved, it feels like the opportunity comes to us more fully baked and then we want to slow down a little bit.

So, I think if all parties understand that to get the best for the clients, to get the best for the employees, the team, I think you really got to give the buyer time to really have that kind of assessment. I mean, I'm not saying that it should always take a year, but I feel like sometimes the opportunities that come to us through advisors, it just doesn't feel like we have that much time to have that. And not that that's a bad thing, but I do think it can actually increase valuations to have that be part of the process.

Rush Benton:

Yeah. Rick, I think that's a great point. It is frustrating for us that in this business, which is a personal service business, the assets get on the elevator every day, or used to, that in an advisor-led process, you might have the opportunity for a two-hour meeting that's formal and scripted and hard to get to know each other, and then you go straight into due diligence and, "Hey, what's your offer?"

So, I would appreciate it if advisors would slow things down a little bit and let the relationship develop with whoever the handful of buyers potentially are, because if you don't have that relationship, you don't fully understand, I don't think, what you're getting into.

Dave:

Thanks. Just two more here. We can get everyone on their way. This is for both of you. "What is the definition of a vested shareholder at CAPTRUST?" You mentioned that they were vested and then total shareholders.

Rush Benton:

You're looking at them. No, we have a program that makes equity available for every single employee through a grant. And once you've been an employee for, I think, about three years at the most, you're eligible to participate in that program. You get a grant of equity as part of your compensation every year and that grant vests in five years. So, after five years, you're vesting every year in additional stock. So, you're building up a pretty good investment in the company and you didn't have to write a check for it.

And so, we have shareholders who got in via that program and five years later became vested. And we have, if you sell your practice or business to CAPTRUST and you take some equity as part of the transaction, that equity is vested on day one. So, that's the difference. The other nuance there is that only vested shareholders receive a distribution on their shares. And that's been meaningful. We've been distributing half of our profits every year, distributing half to shareholders and reinvesting half. So, that's been a significant number to shareholders. So, I hope that answers the question and obviously you can get in touch with Rick or I at any point and we can talk through more of that.

Dave:

Great. And last question, Rick, this was for you. You mentioned a few times how firms grow when they join us, and you started to list a couple of things, but could you talk more about what we're doing specifically to help firms grow?

Rick Shoff:

Well, I think just quick, I mean, again, warm selling is our new growth strategy. So, we're looking for ways to leverage that we have thousands of institutional relationships and we have thousands of individual wealth management relationships. So, what we can do is we can, again, through our marketing team and through our campaigning, we can identify, we can take a look at a wealth management client, we know who their employer is or was. And chances are, we've already been calling on that employer to try to win their 401(k) plan. So, clearly that's a warm introduction. And so, it's access to the assets that helps us grow. So, that's an example of how we use a wealth management client's employer to get to a retirement plan opportunity.

The same is true that Fielding often says that, "There's not a lot of competitive advantages in the wealth management business, but the one that we think we do have is proximity to the money." So, on the institutional side, we're advising on over 300 billion of retirement plan assets and they trust us. And so, we can bridge those relationships into wealth management clients.

And so these are just a couple. We have five other initiatives, Dave, but that's just a couple of examples. But it comes down to the fact that this is where scale matters. It's not just about getting reports out quicker or having lower trading costs, that when you have this many clients, this many advisors in a fully integrated business where there's complete alignment, you can accelerate growth. And so, those are some of the things, Dave, that are helping us.

Rush Benton:

Well done, Rick. That's a good one to end on. And look, I really appreciate everyone's time today. We had a great turnout for this and we're very excited about the future and hope to get to spend time with all of you at some point soon. I hope you're safe and well and your families are well, and we'll be in touch. We'll do some more of these throughout this year. And Rick, thanks, you're easy to interview. I can't wait to do it again.

Rick Shoff:

Yeah. Yeah. Thanks, Rush. Thanks, everybody. Really appreciate it. Thanks for your time.

Rush Benton:

Yep. So long.

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