

## Victory Capital Announces Planned Acquisition of WestEnd Advisors

SAN ANTONIO--(BUSINESS WIRE)-- Victory Capital Holdings, Inc. (NASDAQ: VCTR) (“Victory Capital” or the “Company”) today announced that it has entered into a definitive agreement to acquire 100% of WestEnd Advisors, LLC (“WestEnd”).

WestEnd will become Victory Capital’s 12th Investment Franchise and represents a new dimension of growth and diversification. Founded in 2004, and headquartered in Charlotte, North Carolina, WestEnd provides financial advisors with turnkey, core model allocation strategies serving as holistic solutions and complementary sources of alpha. With approximately \$18 billion in assets, the firm offers four primary ETF strategies and one large cap core strategy, all in tax efficient Separately Managed Account (SMA) structures.

“The acquisition of WestEnd Advisors is very strategic and transformational to our business,” said David Brown, Chairman and CEO of Victory Capital. “It adds a high-quality and proven investment platform as well as a new product capability in a fast-growing market segment.

“WestEnd is well positioned to continue benefiting from multiple secular industry tailwinds including the use of ETFs as cost effective investment delivery vehicles, increasing adoption of model portfolios by financial intermediaries, and the move by a growing number of financial advisors to fee-based revenue models.

“These ongoing trends have led to outsourced SMA models being one of the fastest growth areas in the asset management industry. WestEnd is a leader in the third-party ETF model space and, through the first three quarters of 2021, generated \$3.5 billion, or 30%, net organic growth in assets. With our strong presence on major financial intermediary platforms and the wide geographic reach of our distribution coverage, we believe we are well-positioned to continue WestEnd’s growth. Longer-term, we see exciting potential to launch new products and make new solutions available to a growing client base.”

Michael Goldman, Managing Partner of WestEnd Advisors, said: “WestEnd has grown quickly as an independent company and we believe we can continue that growth by joining forces with the right partner. Victory Capital aligns culturally with WestEnd. They also possess the requisite scale and well-established distribution network to be additive to our existing distribution activities and should serve as a catalyst for future growth. There will be no changes to our proven investment process or to our team as a result of this transaction, which will provide for a smooth and seamless transition for our clients.”

Under terms of the purchase agreement, Victory Capital will acquire WestEnd for an upfront payment upon closing of \$480 million with deferred earnout payments over a number of years upon the satisfaction of certain revenue growth targets. The transaction is expected to close before the end of this year and be immediately accretive to earnings.

Closing is subject to customary approvals, conditions and consents. BofA Securities is serving as financial advisor to Victory Capital and has provided committed financing in connection with the acquisition. Willkie Farr & Gallagher LLP is serving as legal advisor to Victory Capital. PJT Partners is serving as financial advisor to WestEnd, and Alston & Bird LLP is serving as WestEnd's legal advisor.

The Company's management team will host a conference call tomorrow, November 5, at 8:00 a.m. ET to discuss third-quarter financial results and the WestEnd acquisition. Supplemental materials will be available on the investor relations section of the Company's website at <https://ir.vcm.com> before the conference call begins.

To participate in the conference call, please call (877) 823-8673 (domestic) or (647) 689-4067 (international), shortly before 8:00 a.m. ET and reference the Victory Capital Conference Call. A live, listen-only webcast will also be available via the investor relations section of the Company's website at <https://ir.vcm.com>. For anyone who is unable to join the live event, an archive of the webcast will be available for replay, at the same location, shortly after the call concludes.

## **FORWARD-LOOKING STATEMENTS**

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "assume," "budget," "continue," "estimate," "future," "objective," "outlook," "plan," "potential," "predict," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond Victory Capital's control such as the COVID-19 pandemic and its effect on our business, operations and financial results going forward, as discussed in Victory Capital's filings with the SEC, that could cause Victory Capital's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements.

Although it is not possible to identify all such risks and factors, they include, among others, the following: reductions in AUM based on investment performance, client withdrawals, difficult market conditions and other factors such as a pandemic; the nature of the Company's contracts and investment advisory agreements; the Company's ability to maintain historical returns and sustain its historical growth; the Company's dependence on third parties to market its strategies and provide products or services for the operation of its business; the Company's ability to retain key investment professionals or members of its senior management team; the Company's reliance on the technology systems supporting its operations; the Company's ability to successfully acquire and integrate new companies, including WestEnd; the concentration of the Company's investments in long-only small- and mid-cap equity and U.S. clients; risks and uncertainties associated with non-U.S. investments; the Company's efforts to establish and develop new teams and strategies; the ability of the Company's investment teams to identify appropriate investment opportunities; the Company's ability to limit employee misconduct; the Company's ability to meet the guidelines set by its clients; the Company's exposure to potential litigation (including administrative or tax proceedings) or regulatory actions; the Company's ability to implement effective information and cyber security policies, procedures and capabilities; the Company's substantial indebtedness; the potential impairment of the Company's goodwill and intangible assets; disruption to the operations of third parties whose functions are integral to the Company's ETF platform; the Company's determination that Victory Capital is not required to register as an "investment company" under the 1940 Act; the fluctuation of the Company's expenses; the Company's ability to respond to recent trends in the investment management industry; the level of regulation on investment management firms and the Company's ability to respond to regulatory developments; the

competitiveness of the investment management industry; the dual class structure of the Company's common stock; the level of control over the Company retained by Crestview GP; the Company's status as an emerging growth company and a controlled company; and other risks and factors listed under "Risk Factors" and elsewhere in the Company's filings with the SEC.

Such forward-looking statements are based on numerous assumptions regarding Victory Capital's present and future business strategies and the environment in which it will operate in the future. Any forward-looking statement made in this press release speaks only as of the date hereof. Except as required by law, Victory Capital assumes no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

## **About Victory Capital**

Victory Capital is a diversified global asset management firm with \$159.9 billion in assets under management as of September 30, 2021. The Company operates a next-generation business model combining boutique investment qualities with the benefits of a fully integrated, centralized operating and distribution platform.

Victory Capital provides specialized investment strategies to institutions, intermediaries, retirement platforms and individual investors. With 11 autonomous Investment Franchises and a Solutions Platform, Victory Capital offers a wide array of investment styles and investment vehicles including, actively managed mutual funds, separately managed accounts, active ETFs, multi-asset class strategies, custom-designed solutions, private funds and a 529 Education Savings Plan.

For more information, please visit [www.vcm.com](http://www.vcm.com) or follow us: [Twitter](#) and [LinkedIn](#)

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