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Guardian Capital Group Limited to Acquire Sterling Capital Management LLC

TORONTO, Feb. 02, 2024 (GLOBE NEWSWIRE) -- Guardian Capital Group Limited (Guardian) (TSX:GCG) (TSX:GCG.A) announced today that it has reached an agreement under which Guardian's wholly-owned subsidiary Guardian Capital LLC will acquire Sterling Capital Management LLC (Sterling) from Truist Financial Corporation (Truist) (NYSE: TFC).

Headquartered in Charlotte, North Carolina, Sterling traces its origins as an independent investment manager to 1970. Sterling's rich pedigree has allowed it to expand a successful business that today has approximately US\$76 billion (C\$100 billion) in assets under management and advisement. Sterling invests on behalf of a broad range of institutional and individual investors through separate accounts, model portfolios, and commingled vehicles, including mutual funds.

The financial terms of the transaction include a payment of US\$70 million on closing to purchase 100% of the equity capital of Sterling, subject to customary purchase price adjustments, and future earn-out incentives.

"We are very excited to have Sterling join the Guardian group of companies as the acquisition significantly enhances our overall scale as a global asset manager and expands our platform for future growth. Sterling's pursuit of excellence aligns perfectly with Guardian's commitment to investment quality and innovation. Sterling shares and complements our approach and values in addition to adding new capabilities and investment strategies that enhance our offering in the United States," said George Mavroudis, President and Chief Executive Officer of Guardian. "We are extremely grateful that both Sterling and Truist have entrusted Guardian as their partner of choice to build on the rich traditions of both institutions. Our combined organizations share a strong common culture that prioritizes the interest of our clients and strives towards enriching lives together."

Following the anticipated closing of the transaction in Q2, 2024 (subject to normal consents and approvals for transactions of this nature), Guardian plans to operate Sterling as a standalone entity, led by the current team of management and senior professionals, providing continuity, stability and continued excellence for Sterling clients.

"We are thrilled for this new chapter for Sterling Capital Management and the opportunities for growth that this transition provides," said Scott Haenni, CEO of Sterling. "This path forward is a win-win-win for Sterling Capital, Guardian, and Truist, as it allows Sterling Capital to grow as an independently-managed investment management firm poised for continued long-term growth under Guardian's strategic oversight while continuing to partner with Truist on shared relationships and opportunities. We are thankful to have found a like-minded organization in Guardian that shares our culture and values, and we are excited for our future success together."

Cambridge International Partners LLC served as Guardian's financial advisors, Pryor Cashman LLP provided legal counsel to Guardian, and Cherry Bekaert LLP provide tax advice to Guardian. BofA Securities acted as exclusive financial advisor, and Davis Polk & Wardwell LLP provided legal advice to Truist.

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About Guardian Capital Group Limited

Guardian Capital Group Limited (“Guardian”) is a global investment management company servicing institutional, retail and private clients through its subsidiaries. As at September 30, 2023, Guardian had C\$56.2 billion of total client assets while managing a proprietary investment portfolio with a fair market value of C\$1.28 billion. Founded in 1962, Guardian’s reputation for steady growth, long-term relationships and its core values of authenticity, integrity, stability and trustworthiness have been key to its success over six decades. Its Common and Class A shares are listed on the Toronto Stock Exchange as GCG and GCG.A, respectively. To learn more about Guardian, visit www.guardiancapital.com.

About Truist Financial Corporation

Truist Financial Corporation is a purpose-driven financial services company committed to inspiring and building better lives and communities. As a leading U.S. commercial bank, Truist has leading market share in many of the high-growth markets across the country. Truist offers a wide range of products and services through our wholesale and consumer businesses, including consumer and small business banking, commercial banking, corporate and investment banking, insurance, wealth management, payments, and specialized lending businesses. Headquartered in Charlotte, North Carolina, Truist is a top-10 commercial bank with total assets of \$535 billion as of December 31, 2023. Truist Bank, Member FDIC. Learn more at Truist.com.

About Sterling Capital Management

Sterling Capital Management LLC, founded in 1970, is an independently operated subsidiary of Truist Financial Corporation. Headquartered in Charlotte, North Carolina, Sterling provides investment advisory services through mutual funds, separately managed accounts, model portfolios, and other commingled vehicles offered through a variety of intermediary and managed account platforms. Sterling’s six distinct investment teams provide a full complement of fixed income, concentrated active equity, and multi-asset solutions. Learn more at sterlingcapital.com.

This press release contains forward-looking statements with respect to Guardian Capital Group Limited and its products and services, including its business operations and strategy and financial performance and condition. Although management believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, including interest rates, business competition, changes in government regulations or in tax laws, and other factors discussed in materials filed with applicable securities regulatory authorities from time to time.

Any forward-looking statements included in this press release are provided as of the date of this press release and should not be relied upon as representing Guardian’s views as of any date subsequent to the date of this press release. Guardian undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.