



**CANACCORD GENUITY GROUP INC., THROUGH ITS WEALTH MANAGEMENT BUSINESS IN THE UK, ANNOUNCES THE ACQUISITION OF THE INVESTMENT MANAGEMENT BUSINESS OF ADAM & COMPANY**

*Acquisition expands UK wealth management footprint into Scotland with a leading and well-established franchise and increases client assets by approximately £1.7 billion (C\$2.9 billion)*

**TORONTO, LONDON AND EDINBURGH - April 15 2021:** Canaccord Genuity Group Inc. (TSX:CF, the "Company") is pleased to announce that through its wealth management business in the UK ("CGWM UK"), it has entered into an agreement with The Royal Bank of Scotland plc ("RBS"), which is part of the NatWest Group plc ("NatWest"), to acquire the private client investment management business of Adam & Company ("the Business"). The acquisition is expected to be accretive to the Company's adjusted<sup>1</sup> earnings. Closing is subject to regulatory approval and is expected to take place at the end of the Company's second fiscal quarter.

Adam & Company's investment management business is a leading Scottish private client investment manager based in Edinburgh, with client assets totaling approximately £1.7 billion (C\$2.9 billion<sup>2</sup>), which are managed on a discretionary basis. The Business includes a stable and experienced team of portfolio managers with direct responsibility for client relationships. With a commitment to service excellence, the Business benefits from strong client loyalty, as demonstrated through the growth in its client assets of approximately 45% over the past five years.

The acquisition represents a unique opportunity for Canaccord Genuity Wealth Management to enter the Scottish market with a deeply established franchise and a strong brand. CGWM UK intends to continue to operate the Business under the name of Adam & Company. The Business's core client proposition will remain largely unchanged, and the existing direct relationships between clients and portfolio managers will not be affected.

As part of CGWM UK, the investment professionals and clients of the Business will also have access to the broad range of resources and expertise in the areas of global and small cap equities, ESG and fixed income offerings, in addition to its robust suite of retirement, later life care and inheritance tax (IHT) planning capabilities. To help facilitate this, Adam & Company's investment team will become active members of CGWM UK's existing investment committees. With a common operating and technology platform, transition to CGWM UK is expected to be seamless to clients and investment professionals. Graham Storrie, Managing Director of Adam & Company, will continue with the Business in a leadership role.

David Esfandi, Chief Executive Officer of CGWM UK said: "Entering the Scottish market represents a very important milestone in our long-term growth strategy and we are pleased to be doing so with Adam & Company's investment management business, a leading regional franchise with a strong cultural fit and a similar client base to our own. We are delighted to welcome this team of deeply established investment professionals, and we look forward to supporting their continued growth and commitment to providing the best possible outcomes for their clients."

Graham Storrie, Managing Director of Adam & Company adds: "To build on the success of Adam & Company's investment management business it was essential to find a buyer who shared our

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<sup>1</sup> Adjusted earnings is a non-IFRS measure generally referred to by the Company as pre-tax net income excluding significant items. Refer to non-IFRS measures in the Company's MD&A.

<sup>2</sup> Approximate Canadian Dollar equivalent based on current exchange rate of £1 to C\$1.73

investment philosophy and strategic ambitions for the future. I believe that with CGWM, we will be able to offer our clients in Scotland and beyond the continuity and high quality service they deserve, and I am delighted to have the opportunity to continue to lead this business."

During the period to completion, it is CGWM UK's intention to establish a new office location for the Adam & Company investment management business in central Edinburgh.

## TRANSACTION OVERVIEW

Cash consideration of £54.0 million (C\$94.9 million) will be paid on closing.

The transaction is to be effected through a Business Transfer Agreement that will result in CGWM UK acquiring both the shares of Adam & Company Investment Management Limited ("AIM") as well as certain assets from RBS, including the Adam & Company brand, certain intellectual property and client contracts. Portfolio managers and supporting employees who are currently employed by RBS yet dedicated to Adam & Company's business will transfer to CGWM UK. Both CGWM UK and Adam & Company operate on the Avaloq platform, and the parties have agreed a detailed migration plan which will be implemented after signing.

During the year ended December 31, 2020, Adam & Company's investment management business held average assets under management of £1.6 billion (C\$2.8 billion), and generated revenue of approximately £12.5 million (C\$21.6 million). A retention plan will be implemented for key employees based on client assets and continued employment over a four year period.

Closing is subject to regulatory approval and other customary closing conditions. The acquisition is expected to be completed during the quarter ended September 30, 2021, which will be the end of the second fiscal quarter of the Company's 2022 fiscal year.

Raymond James Financial International Limited acted as financial adviser and Farrer & Co LLP acted as legal adviser to CGWM in connection with the transaction.

Evercore acted as financial adviser and Pinsent Masons LLP acted as legal adviser to NatWest in connection with the transaction.

## ABOUT CANACCORD GENUITY GROUP INC.

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the "Company") is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and capital markets. Since its establishment in 1950, the Company has been driven by an unwavering commitment to building lasting client relationships. We achieve this by generating value for our individual, institutional and corporate clients through comprehensive investment solutions, brokerage services and investment banking services. The Company has Wealth Management offices located in Canada, the UK, Guernsey, Jersey, the Isle of Man and Australia. The international capital markets division operates in North America, the UK & Europe, Asia, Australia and the Middle East. Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the TSX.

To learn more about CGWM UK, visit <https://www.canaccordgenuity.com/wealth-management-uk/>

## ABOUT CANACCORD GENUITY WEALTH MANAGEMENT

The wealth management operations of the Canaccord Genuity Group (Canaccord Genuity Wealth Management) provide comprehensive wealth management solutions and brokerage services to individual investors, private clients, charities and intermediaries through a full suite of services tailored to the needs of clients in each of its markets. Canaccord Genuity Wealth Management has Investment Advisors (IAs) and professionals in Canada, the UK and its Crown Dependencies (Jersey, Guernsey and the Isle of Man) and Australia and has advisors in Canada who are registered in the US. Reference to CGWM UK includes offices located in both the UK and the Crown Dependencies. Since 2016, Canaccord Genuity has materially invested to support the growth of its wealth management businesses in all geographies. As a result of this growth, client assets have increased substantially, and Canaccord Genuity Wealth Management has become a stable and significant contributor to firmwide profitability and earnings.

## **ABOUT ADAM & COMPANY INVESTMENT MANAGEMENT**

Adam & Company Investment Management Limited (AIM) is regulated by the UK Financial Conduct Authority and provides discretionary investment management services primarily from its office in Edinburgh. AIM is a subsidiary of The Royal Bank of Scotland plc and part of NatWest Group plc, a large UK banking group that provides retail and commercial banking, insurance and investment services to over 19 million customers. Following the sale of AIM, any banking and lending activities conducted under the Adam & Company brand will in time be transferred to the Coutts business of the NatWest Group.

## **CAUTION REGARDING FORWARD LOOKING STATEMENTS**

This press release may contain "forward-looking information" as defined under applicable securities laws ("forward-looking statements"). These statements relate to future events or future performance and reflect management's expectations, beliefs, plans, estimates, intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts, including business and economic conditions and Canaccord Genuity Group's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", "could" or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry and the risks and uncertainties discussed from time to time in the Company's interim condensed and annual consolidated financial statements, its annual report and its annual information form ("AIF") filed on [www.sedar.com](http://www.sedar.com) as well as the factors discussed in the sections entitled "Risk Management" and "Risk Factors" in the AIF, which include market, liquidity, credit, operational, legal and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking statements contained in this press release include, but are not limited to, those set out in the Fiscal 2021 Outlook section in the annual MD&A and those discussed from time to time in the Company's interim condensed and annual consolidated financial statements, its annual report and the AIF filed on [www.sedar.com](http://www.sedar.com). The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive.

Although the forward-looking statements contained in this press release are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements

contained in this press release are made as of the date of this press release and should not be relied upon as representing the Company's views as of any date subsequent to the date of this press release. Except as may be required by applicable law, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, further developments or otherwise.

**FOR FURTHER INFORMATION:**

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