

Victory Capital Announces Investment in Alderwood Partners

SAN ANTONIO & LONDON--(BUSINESS WIRE)-- Victory Capital Holdings, Inc. (NASDAQ: VCTR) ("Victory Capital" or the "Company") announced today that it has acquired, through a wholly owned subsidiary, a 15% interest in Alderwood Partners LLP ("Alderwood"). Financial terms were not disclosed.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20200921005196/en/>

Alderwood's operating entity, Alderwood Capital, is a London-based investment advisory firm focused on taking minority stakes in specialist boutique asset management businesses. Founded in 2020 by Jonathan Little, Alderwood is planning – subject to regulatory approval – to raise a single fund to deploy its strategy. Victory Capital will have board representation at the general partner level and intends to participate as an investor in the fund.

"This investment in a proven M&A capability provides Victory Capital with a number of compelling strategic advantages," said David Brown, Chairman and CEO of Victory Capital. "It significantly broadens our international scope for future growth, particularly in the UK and on the European continent. In addition to expanding opportunities for complementary distribution alliances and strategic partnerships leveraging organizational and regulatory platforms in non-US jurisdictions, it also provides attractive return opportunity on our investment."

"We are very pleased to welcome Victory Capital as partners in our firm," added Jonathan Little, Founder and Managing Partner at Alderwood. "I've long been an admirer of David Brown and the Victory Capital team. Victory Capital has an excellent record of supporting businesses over the long term and providing wise counsel to the management teams it backs. It is a hugely credible investor and strategic partner, and we look forward to developing our relationship over the long term. Our organisations have strong cultural alignment, and we share the view that active management in focused firms will continue to generate robust cash flow and attractive risk-adjusted IRR."

Prior to founding Alderwood, Jonathan Little was Founder and Managing Partner of Northhill Capital—a leading asset management firm acquiring majority stakes in specialist asset management firms around the world. Before that, Jonathan Little served as Global Co-Head of Asset and Wealth Management at BNY Mellon, where he also served as Vice Chairman of the Asset Management Business and Chairman of the Dreyfus Corporation; and, was Chairman of Insight Investment Management. Earlier in his career, he was Head of International Funds and Sub-Advisory at JP Morgan Investment Management and held key roles at Fidelity Investments International.

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; 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 \$136.8 billion in assets under management as of August 31, 2020. 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 nine 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, rules-based and active ETFs, multi-asset class strategies, custom-designed solutions and a 529 College Savings Plan.

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

About Alderwood Capital

Alderwood Capital was founded in 2020 by Jonathan Little. Alderwood provides advice, consultancy and support services to asset managers and regulated entities looking to make investments in the global asset management sector.

Alderwood is currently seeking FCA authorisation to manage a long-term closed end fund. For more information, please visit <https://alderwoodcap.com>.

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