



## **Growing Your Legacy**

A Business Case for Reinvention.

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Premier hybrid broker-dealers, standalone registered investment advisers (RIAs), and enterprises are considering if their firms have the resources to stay competitive in today's marketplace or whether a proactive change is required. In order to reach your objectives, now may be the time to align yourself with a committed and highly regarded partner in the independent space, Cambridge Investment Research, Inc. (Cambridge).



Reduce leverage in your organization and potentially risk overall

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Create a liquidity event for shareholders

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Expand resources available – provide financial professionals a competitive advantage



**We recognize the unique challenges and complexities of your decision and appreciate the opportunity to begin a confidential dialogue with you about possible next steps to achieve your objectives and continue a legacy that is uniquely yours.**

**Choose to continue operating and owning your enterprise or sell – partially or entirely – to Cambridge.**

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## Current Independent Marketplace

As a business owner, you face many challenges, especially in a consolidating industry. In this changing landscape, there are fewer opportunities to truly define your success.

Even so, the need for advice is greater than ever, and the independent wealth management industry continues to grow rapidly. The convergence of brokerage and RIA models has divided the independent channel into two categories: those that can scale and reinvest in the business, and those niche players who have built a compelling value proposition and can appeal to the advisory market.

Growth within the independent sector continues to outpace other sectors in the

**\$29 trillion**

wealth management industry.

The RIA space alone managed

**\$5.7 trillion**

in assets in 2020<sup>1</sup> - a significant increase from the \$2 trillion managed in 2009.

Recently, financial professionals and assets have been concentrated with the largest independent hybrid firms. In total,

**54% of all financial professionals and 72% of all assets in the space**

have belonged to the top 10 independent firms in the market.<sup>2</sup>

## **Current Challenges**

Common experiences leading similar firms to sell or affiliate.

Compressed fees in all areas, and elimination of miscellaneous income streams

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Reduction of revenue sharing opportunities with clearing firms through lower rates and U.S. Securities and Exchange Commission (SEC) Reg BI

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Cost of technology and product solutions to create a competitive platform for financial professionals

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Stalled growth due to lack of recruiting resources

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Lack of financial stability, due to heightened regulation

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Political and tax uncertainty

## **Opportunities**

Reduce challenges by partnering with Cambridge, a firm committed to preserving your legacy.

Reduce potential for risk liability

Liquidity event with possible continued income from the business

Access to enhanced platforms for financial professionals

Succession planning

Increased access to recruiting resources

Focus on core competencies, allowing the firm to do what it does best – serving the needs of financial professionals and their clients

Business development and recruiting tools for financial professionals



## **Why Financial Professionals Choose Cambridge**

Cambridge's flexible options allow you to chart your own destiny.

Platform choices comprised of corporate RIA or independent RIA for dual registration or fee only business models

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Comprehensive online business environment, centered on the many varied business models independent financial professionals need in terms of choice and flexibility

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Succession and acquisition financial lending plus business technology expertise

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Customizable services for a wide variety of business models including: solo, ensembles, ensemble enterprises, multi-financial professional teams, and enterprises

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Multiple clearing firms (FCCS and Pershing) provide you with a choice to best fit your business model

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Access to one of the broadest product footprints in the industry

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Our core values of integrity, commitment, flexibility, and kindness guide us in all we do

## **Affiliation Advantages**

Secure your unique legacy though shared vision and a commitment to independence.

Full or partial liquidity for shareholders/ownership

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Focus on what's most important to your organization, allowing the opportunity to create more meaningful client relationships and a deeper brand

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Outsource essential costly functions (i.e., compliance, operations, accounting, legal)

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Access to a wide range of products, services, and technology offerings for financial professionals to expand

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High Speed Financial Professional Growth Program providing fast-track resources and guidance to those who have identified growth as a primary goal

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Complement organic growth through business development support, allowing financial professionals that want to grow their business the opportunity to do so

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Succession planning opportunities for financial professionals over a nationwide network

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Capitalize on current valuations before the full impact of margin compression and revenue share reductions is fully realized

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Opportunity to improve operating scale and realize viable corporate succession plan for those who choose long-lasting partnership

## **Joining Cambridge**

### **Flexible Structure**

Flexibility in making decisions is paramount in determining what type of structure fits for both parties. At Cambridge, we work with you to structure an offering according to the best possible shared vision. Offer terms are just as important as the valuation and the deal itself could include outright purchases, recruiting opportunities, and combinations thereof.

### **Customized Integration Strategy**

At Cambridge, closing the deal does not define success. Acquisition is much more than a financial transaction. We define success through alignment of unique vision and values that sets the stage for a positive transition. Our team will work hands-on with you in crafting a customized transition plan to meet the expectations of both the group as a whole and the financial professionals individually.

## About Cambridge

Actively serving the unique needs of both fee focused and fee only financial professionals, Cambridge is recognized as the seventh largest independent firm<sup>3</sup> in the nation. Today, the financial solutions firm serves more than 3,700 financial professionals with \$153 billion in assets under advisement (AUA)<sup>4</sup>. Cambridge is strongly positioned to help select, high-quality firms achieve corporate objectives.

For more information regarding affiliation options, contact the Cambridge Business Development or Strategic Initiatives Teams at 800-777-6080.

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<sup>1</sup>Cerulli Associates. 2020 U.S. RIA Marketplace Report

<sup>2</sup>Fidelity M&A Review, 2019

<sup>3</sup>Largest broker-dealer based on gross revenues, *Financial Advisor* magazine, 2020

<sup>4</sup>As of June 30, 2021. AUA reflects fee based and independent RIA assets plus commission assets.

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