

The Power of Private Equity



Five Myths Dispelled

The question of whether public or private ownership is better is frequently debated within the financial services industry. We think the question can't be answered in a vacuum: what's "right" depends on the individual company. Cetera Financial Group is owned by Genstar Capital Partners, a private equity firm. We chose to partner with Genstar in 2018 because of their belief in our strength as a network and our shared belief in the importance of independent, accessible financial guidance. For us, private ownership has a distinct purpose: we know that the best path toward growth for our financial professionals, their clients, and our company as a whole right now is remaining private.

Despite facts that prove otherwise, some myths about private equity ownership abound. Here are the most common ones, debunked.



Myth 1: Private equity is all about cutting costs.

Typically, private equity brings to mind visions of slashed budgets and paused spending. It's assumed there's a constant focus on the overall return on investment and little else. Thankfully, this isn't always the case, and certainly not with Cetera. Our partnership with Genstar gives us the capital to make meaningful investments in our technology platforms, wealth management solutions, and the capabilities financial professionals need for growth. Yes, cutting costs can have a quick and dramatic effect on a company's profits, but the exercise can be detrimental to overall service and experience. Continued investment in the business means we're well equipped to deliver what our financial professionals need and can remain focused on their long-term success.



Myth 2: You're only focused on the next three to five years.

The churn-and-burn cycle is real in private equity agreements: buy it, boost it, sell it for a profit. Genstar's decision to reinvest in Cetera, underscores its long-term belief in our potential, and gives us greater flexibility and patience in the work we do. Our time horizon allows for the thoughtful planning, launch, measurement, and innovation of our initiatives—we don't scrap them if results aren't seen over a single quarter. This approach keeps us centered on our financial professionals and their clients: "Will this be beneficial to them for the long term?"



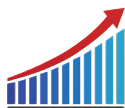
Myth 3: Private equity-owned companies don't have a strong capital structure.

Private equity deals typically have a high price tag, with debt that can slow down a company's momentum. Our capital structure gives us the capacity to offer support for multiple affiliation models, giving our financial professionals confidence that we can cater our services to their distinct business needs. It allows us to be nimble and adjust our focus quickly to invest where funds are needed most. We're resilient and prepared in the event there's economic volatility ahead, so we can continue being a partner for growth regardless of broader market trends.



Myth 4: The parent company calls all the shots.

You may have seen private equity deals where a new owner comes in, and suddenly there's a new mission, new objectives, new leadership—an entirely new company. Genstar wanted to work with us because they already believed in the work we do on behalf of financial professionals, so they're fully aligned with helping advance and evolve our existing efforts. Of course, they're there to offer counsel, but they have deep trust in our team and our experience to drive growth and create successful outcomes.



Myth 5: You can't achieve outsized growth without being public.

Some of the world's biggest and most well-known companies are publicly traded—and some are privately held. There is no singular path to growth, and there's no requirement to have a ticker symbol to achieve it. Going public can be expensive, but certainly worthwhile when the conditions are right. Taking a company public too early or at the wrong time, however, can be even more costly. An increasing number of firms, like Cetera, choose to remain private because of the many benefits of a private ownership structure and the cost to liquidity.

Fact: Private equity firms can be both growth partner and growth leader.

Genstar ranks among the top two private equity firms in financial services, with a strong track record of investing in high-quality companies across Financial Services, Healthcare, and Technology. It's our partnership with them, and the collective vision we are working toward, that gives us confidence we'll share continued success into the future.

If you're ready to experience what the power of private equity can bring to your business, contact your Business Development team member or visit cetera.com.

Cetera Financial Group is the premier financial advisor Wealth Hub, empowering independent advisors and institutions with personalized support, flexible affiliation models, and end-to-end growth solutions. Home to approximately 12,000 advisors and institutions, Cetera's multi-channel ecosystem enables financial professionals to grow, scale or transition their businesses on their own terms.

Unlike traditional IBDs, Cetera offers true choice – blending modern technology, integrated wealth solutions, and a community-driven culture. Cetera's five-channel model and commitment to long-term advisor value provide a scalable blueprint for consistent, repeatable growth.

"Cetera Financial Group" refers to the network of independent retail firms encompassing, among others, Cetera Advisors LLC, Cetera Wealth Services LLC (f/k/a Cetera Advisor Networks), Cetera Investment Services LLC (marketed as Cetera Financial Institutions or Cetera Investors), and Cetera Financial Specialists LLC. All firms are members FINRA/SIPC. Cetera Financial Group is located at 655 W. Broadway, 11th Floor, San Diego, CA 92101.

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