

The Colony Group History in Chapters

Growth and Evolution

The Colony Group is a large, established, independent wealth and business management companies in the country, with thousands of clients, approximately \$33 billion in assets under management, more than 400 team members, and over 25 offices.

Yet, it was not always so. Colony's road to the present was long and winding, its engine powered by a bold vision, a desire to serve, the indomitable will of its team, and a commitment to challenging the paradigms of the past by embracing evolutionary change. It all started in Massachusetts almost 40 years ago.

1986-1996

Founding and the Early Years

Way back in early 1986, when Ronald Reagan was President and Microsoft was still a private company getting ready to launch its initial public offering, a gentleman from Massachusetts named Kirby Hamilton began a search, primarily at large banks and brokerages, for a team of experts who could provide his family with a suite of financial services meeting two criteria. First, the services had to *include but go beyond* expert asset management. They also had to include complementary financial planning and tax services, including return preparation. Second, they had to be offered independent of external pressures with his family's best interests in mind – that is, they had to comprise *fiduciary* advice, not advice that was incidental to sales activity from people who were not required to prioritize their clients' best interests.

Yet, as hard as he looked, Kirby could not find such a team. So, he decided to do something about it – not only for his family but also for the many others who shared his preferences. He formulated a singular and clear vision: to create an independent company, bound by a continuous mandate to offer expert asset management integrated with deep and broad financial planning and tax services, while always putting its clients' interests ahead of all others. One night, while discussing this vision with his wife, Melinda, at a restaurant, Kirby wondered about the name of the new company he was founding. The restaurant had the word “Colony” in its name, and the idea behind The Colony Group was now complete.

As is often the case with new companies that challenge existing norms, however, things would not be easy. The world of financial services was dominated by larger institutions like brokerage houses that were not required to prioritize their clients' best interests but nevertheless had vast marketing and sales resources to steer clients toward them. Kirby and his earliest employees faced the enormous challenge of having to educate people about the benefits of independent, fiduciary, holistic advice as an option that could compete with the ubiquitous sales-oriented activities of the big brokerages. And, of course, there were other challenges, including the market crash of 1987. Nevertheless, the company endured – and thrived.

1997-2004

Maturation of Partnership and Organic Growth

By 1997, Colony had grown to 16 team members managing over \$100 million for clients. It had survived its long start-up years and could increase its focus on growth and building out additional capabilities. While it took over 10 years to get to \$100 million in assets under management, the company now had momentum. By 2004, it had over 30 team members and \$500 million under management, though it had grown so much that it had to hire professionals in the areas of finance, operations, human resources, marketing, and legal compliance, necessitating a move from its long-time office on State Street in Boston to Boston's waterfront on Atlantic Avenue.

2005-2011

Building the Business

In 2006, the company stood at 36 team members and what was once an unthinkable \$1 billion in assets under management. Yet, that year was pivotal for Colony not so much because of what it had accomplished in its first 20 years but because of the ambitious vision it then set for the future – one that included but transcended Kirby’s initial vision. It set its sights on evolving from a regional business based in Boston to a national, enduring enterprise that could offer all the resources, capabilities, geographical reach, strength, and stability of the big banks and brokerages while adhering to Kirby’s vision around independence, client-centricity, and holistic advice.

During the next several years, the company enhanced its capabilities and team, evolving from a firm of collaborative practitioners into an efficiently operated and professionally managed business. It expanded its physical footprint with a permanent presence in Naples, Florida, having previously fielded temporary, unstaffed locations on both sides of the state. It also began to consider the need to supplement its historical organic growth with mergers and strategic hires that could accelerate that growth while simultaneously and efficiently enhancing the company’s capabilities – a strategy that would become known as Colony’s “better-than-before” merger strategy.

By 2011, Colony’s 25th anniversary, the company was ready to execute fully on its expansive strategy, but it needed a capital partner. So, after meeting with several candidates, it decided to join Focus Financial Partners, whose leading model offered Colony (1) permanent capital, transactional expertise, and merger experience, (2) the freedom to continue making operational decisions independently, and (3) the ability to continue adhering to the fiduciary standard. That same year, Kirby Hamilton retired, proud of the company he founded and the powerful impact it had on so many over the past 25 years – and would have on so many others in the years to come.

Only nine months after being recapitalized by Focus Financial Partners in October 2011, Colony closed its first major merger, with the venerable Mintz Levin Financial Advisors. This merger nearly doubled the size of the company by assets under management and added talent, reputation, financial planning capabilities, fund expertise, and a substantially stronger presence in Boston.

2012-2018

Accelerated Growth, Expansion, and Being “Better Than Before”

In 2013, Colony again modified its strategic plan, calling for a steady combination of organic and inorganic growth, innovation of its services, optimization of its processes and platforms, and an intense focus on attracting, developing, engaging, and retaining the best talent in the industry. That same year, Colony established offices in New York City and Armonk, New York, when it merged with Prosper Advisors. This merger added not only new geographies but also deep talent, multi-family-office capabilities, and greater alternative-investment and private-strategies expertise.

2012-2018

Continued

In 2014, in addition to its normal hiring activities, Colony hired a team of advisors who previously operated Long Wharf Investors in Boston and who brought their clients with them, in addition to their expertise, especially in the areas of quantitative and international investing. The company also opened its first office in southeast Massachusetts – in Norwell – to accommodate the growing number of team members and clients in that area. The company reached \$3.5 billion in assets under management in 2014.

Prior to 2015, Colony had largely served individuals and families, with few institutional clients. That changed in 2015 when Colony merged with Cap Group Advisors. Along with an individual advisory practice, Cap Group brought an entire institutional consulting practice to Colony. It also gave Colony an office in Richmond, Virginia and helped the company reach \$5 billion in assets under management, now with 86 team members.

After taking 2016 to integrate with its prior merger partners and focus internally, Colony merged with Jones Barclay Boston in 2017. This merger offered Colony expertise serving professional athletes (another new client segment for the company) and an office in Denver, Colorado. That same year, in which the company reached \$5.5 billion in assets under management, the company moved its Norwell office to a larger office in Hingham, Massachusetts, again reflecting the company's regional strength in that area.

Heading into 2018, Colony further refreshed its strategic plan to: **1** elevate its people; **2** optimize its platforms and processes; **3** innovate its services, including to enhance and add to its current offerings; **4** realize the full potential of its organic-growth capabilities; and **5** pursue strategic, targeted inorganic growth. In terms of inorganic growth, Colony now had sufficient experience and capability to execute on multiple transactions in the same year. That year, the company merged with Blue Water Advisors in Babylon, Long Island, which added further talent and substantially advanced business-development capabilities. It also merged with Bridgewater Wealth, adding additional capabilities serving athletes and other celebrities and, for the first time, business-management capabilities, including bill-pay, bookkeeping, and budgeting services. Bridgewater also added two locations in Maryland: Bethesda and Easton, and Colony grew to \$7.5 billion in assets under management and 140 team members that year.

Coming off its success in 2018, Colony engaged in four mergers and one strategic hire in 2019. First, it merged with Aurora Financial Advisors in Wellesley and Westford, Massachusetts – two new locations for Colony. Aurora also brought expertise in the divorce space and another new line of business in the form of dispute resolution.

When Colony merged with Steinberg Global Asset Management a few months later, it acquired greater investment talent, further business-development capabilities, and, finally, a permanent office on the east coast of Florida, in Boca Raton. The company then engaged in a strategic hire of two individuals who transferred their clients to Colony because the principal advisor was looking to retire from financial services.

Later that year, Colony merged with Harvest Capital Management in Concord, New Hampshire, bringing the company a group of gifted advisors focused on serving business owners and entrepreneurs through a multi-family-office offering. Simultaneously, the company merged with Glass Malek, in Los Angeles, complementing the company's existing business-management offering for professional athletes with a new business-management offering for actors, entertainers, musicians, and influencers.

2019-2022

Sustainable Enterprise

Through a combination of organic and inorganic growth, the company had grown \$10 billion in assets under management and 236 team members in 2019. That same year, the company again moved its Boston office, this time into its current location in the financial district of Boston.

Having absorbed multiple new businesses in a short timeframe, Colony refrained from any inorganic growth in 2020 but resumed it in 2021, again executing on multiple transactions. After moving its Armonk office to Greenwich, Connecticut earlier in the year, the company merged with New Providence Asset Management, bolstering its presence in New York City and substantially adding to its investment talent, especially relating to private strategies. New Providence also offered yet another new line of business, as a highly regarded outsourced chief investment officer, or OCIO, for institutions and endowments.

2024-Beyond

Colony Today

The company then merged with Legacy Wealth in California, offering a new West Coast location in Calabasas as well as additional depth in the divorce space. Next, it merged with Harrison, McCarthy & Co., a tax accounting firm, substantially increasing the company's tax capabilities while also adding an office in Millburn, New Jersey. Finally, it merged with Capital Advisors, located in Southborough, Massachusetts, again adding talent and yet another location.

The company reached \$17 billion in assets under management in 2021. In its 35th year, it now had over 300 team members across the country – about 10 times its headcount in 2004.

In 2022, Colony again limited its inorganic activities to allow for a focus on integration and organic growth. The company changed the location of its Denver office and merged its two New York City offices into a single office. It did engage in one merger, with Derby & Company, adding talent in the retirement planning space and a new custodial option, as well as another location, in Newton, Massachusetts. It also engaged in yet a third strategic hire of several individuals, this time with the promise of a future office in the Washington, D.C. area.

In 2023, Colony's largest and most transformative transaction to date took place, when funds affiliated with Clayton, Dubilier & Rice, LLC ("CD&R") and Stone Point Capital LLC ("Stone Point") completed an acquisition of Focus Inc. This transaction resulted in funds affiliated with CD&R collectively becoming majority owners of Focus Inc. and funds affiliated with Stone Point collectively becoming owners of Focus Inc. Because Colony is an indirect, wholly-owned subsidiary of Focus Inc., the CD&R and Stone Point funds are indirect owners of Colony. With this transaction, Colony became a leading firm within Focus, resulting in the opportunity to merge with several partner firms. These mergers were pivotal in Colony reaching over \$30 billion in assets under management, adding more than 100 additional team members, four offices, and with them, even greater resources and expertise. The first firm to participate in such a merger, GW & Wade, LLC, held locations throughout Massachusetts and in Florida and California; largely expanded Colony's capabilities in the Private Equity space.