

UNDER EMBARGO until 25 February 2021, 10.00 hrs GMT

## Synova sells majority stake in Fairstone to deliver 4.5x return

Growth investor [Synova](#) is delighted to announce that global private equity investor **TA Associates** has acquired a majority stake in [Fairstone Group](#) (“Fairstone” or the “Company” or the “Group”), one of the UK’s leading wealth managers. The transaction marks the first realisation from Synova Fund III, a £250m Fund raised in 2016, and generates a return to Synova of **4.5x invested capital and an IRR of 40%**. As part of the transaction, Synova will continue to support the Group, re-investing for a minority stake from Synova’s latest Fund IV, a £365m Fund raised in 2019.

Synova first invested in Fairstone in April 2016, working closely with the management team to drive organic growth and providing strategic support to the Company as it successfully completed 33 acquisitions in the period. Since our investment both revenue and employee numbers increased threefold with EBITDA increasing sevenfold. Fairstone now oversees more than £10.6 billion in funds under management, up from £3.5 billion at investment. Fairstone’s unique acquisition model, which focuses on cultural alignment, integration and client outcomes, has led to market leading retention rates and customer satisfaction, with Fairstone now the number one rated wealth manager on *Trustpilot*.

**Lee Hartley, CEO of Fairstone Group, commented:** *“It has been a great pleasure working with Alex, Matt and the rest of team at Synova in a very productive and supportive partnership since 2016. Back then, they really took the time to understand the scale of the opportunity and worked with us to put in place the building blocks for sustainable growth. Synova has supported us at every step of our subsequent development to ensure we delivered on that vision. As a result of this close collaboration, Fairstone has transformed into a national, full service wealth management business delivering on our ongoing commitment to high quality client outcomes.*

*I’m delighted that Synova are choosing to reinvest alongside TA Associates, and the team, so that they remain a significant partner in the next stage of Fairstone’s development.”*

**Alex Bowden, Partner at Synova, noted:** *“Fairstone represents another highly successful partnership for Synova. Having identified the increasing need for high quality financial advice, we opened an initial dialogue with founder Lee Hartley in 2015, and completed our investment the following year. Fairstone’s focus on clients, its unique DBO acquisition model and proprietary technology architecture continue to differentiate it from its peer group.*

*The same attractive market dynamics continue to be prevalent today, which is why we are re-investing to support the continued growth of the Company. We are excited to welcome TA Associates as an investor in the Company and look forward to continuing to support Lee and the rest of the management team in the next phase of growth.”*

**ENDS**

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**NOTES:**

1. **Synova** is recognised across the industry as one of Europe's most innovative growth investors, generating market-leading returns from investing in companies typically valued between £30m and £150m. We invest across a handful of core sectors, including **Technology**, **Financial Services**, **Business Services**, and **Health & Education**, where we have deep investment and operational expertise.

Recent Financial Services sector transactions include our November 2020 investment into specialist insurance broker [JM Glendinning](#), and the April 2019 sale of high net worth specialist, [Stackhouse Poland](#), to Arthur J Gallagher, which generated a return of 5.6x invested capital

Synova was awarded [UK Private House of the Year](#) at the 2020 Private Equity Awards

2. **Fairstone** is one of the fastest growing financial services organisations in the UK incorporating one of the largest CII Chartered financial planning teams, with fee income in excess of £70 million. The group operates across 42 locations with a head office in Newcastle, and a City office, and comprises financial management, private wealth, corporate solutions, mortgage solutions and estate planning channels

Fairstone integrates high quality financial advisory firms and IFAs throughout the UK, operating a unique Downstream Buyout Model for IFA firms, which has led to the on-boarding of 54 firms since 2011

Today, Fairstone is a national firm made up of 380 regulated advisers and 275 operational staff. It oversees more than £10.6 Billion in funds under management on behalf of 34,000 wealth management clients

3. Alex Bowden and Matthew Charman led the transaction for Synova. Further information is available from [www.synova.pe](http://www.synova.pe) or by email to [hello@synova.pe](mailto:hello@synova.pe)
4. Keefe, Bruyette & Woods ("KBW") acted as financial advisers to Fairstone with Proskauer & Rose providing legal advice. Evercore provided buy-side financial advice, along with Travers Smith (legal) and PwC (financial and tax due diligence).

**CONTACT:**

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