

# Focus acquires \$1.4bn cross-border firm Cardinal Point



Ashley Lowe / 16 September 2021, 05:00

## ‘We’re very interested in Canada as a market,’ said Focus COO Rajini Kodialam.

Focus Financial Partners is acquiring Cardinal Point, a cross-border wealth advisory firm that manages about \$1.4bn.

Focus has been a serial acquirer of independent wealth management businesses, primarily across the US. It currently owns more than 75 firms, including shops in Canada, Australia and the UK.

The deal will see Focus acquire 100% of Cardinal Point’s assets, as well as somewhere between 40% and 60% of the firm’s cash flows.

Cardinal Point’s leadership and day-to-day management will remain intact following the acquisition. CEO Jeff Sheldon said that aspect was an important factor in the decision to strike a deal with Focus.

‘Focus very much embraces that entrepreneurial spirit, which has really been the backbone of our success today. They’re not interested in converting us to employees,’ he told Citywire Canada.

‘Having that group of like-minded, high-quality advisory firms to collaborate and discuss our respective businesses with is very important to us, while maintaining that independence,’ he added.

Sheldon explained that the move will help Cardinal Point made deals of its own. The firm currently has offices in Ontario, Alberta, California, Arizona, and Florida.

‘As we look to expand, it’s nice to have a partner firm that can help with acquisitions,’ he said. ‘Our expectation over time is to have a greater physical

footprint in cities throughout Canada and the United States.’

Focus COO and co-founder Rajini Kodialam (pictured), who leads the firm’s international development, said Cardinal Point’s culture and growth trajectory caught her team’s attention.

‘All of our partners are very client-centric, growth-oriented firms, and fiduciaries at heart. That’s exactly what Cardinal Point is and what attracted us to them,’ she said. ‘This is a firm that’s tripled over the last five years with young, ambitious leadership.’

Other Canadian firms acquired by Focus include Dorchester Wealth Management, Nexus Investment Management, and Prime Quadrant.

Kodialam said her team is paying close attention to the wealth management market in Canada, particularly as more advisors look to exit banks and other large firms.

‘Select advisors have teams working out of these conflicted environments, saying “I don’t want to be here, I want to be on the other side doing right by clients,”’ she said. ‘We’re very interested in Canada as a market.’

The deal is expected to close in the fourth quarter of 2021.

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