

**Contact**

Aaron M. Cunningham, CAIA  
 Director of Research & Analytics  
 707-759-2034  
[acunningham@pionline.com](mailto:acunningham@pionline.com)

**Q3 2015 money manager M&A activity summary**

Money manager mergers and acquisitions activity in the third quarter decreased from the previous quarter, with total assets in transactions at \$294.4 billion — down more than 27%. Assets doubled from the third quarter of 2014.

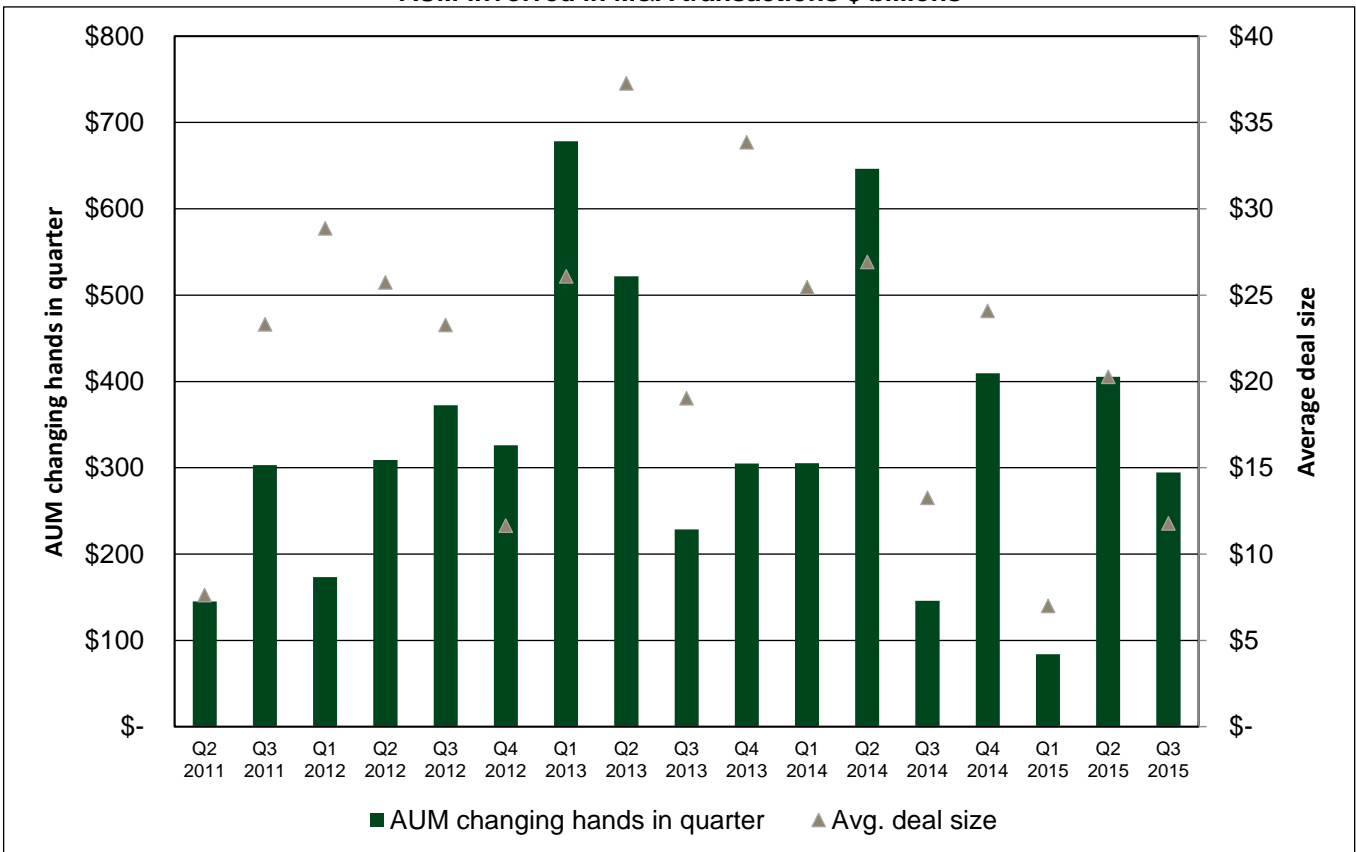
Twenty-five money management deals took place in the third quarter, up from 20 in the previous quarter. In the third quarter of 2014, there were 11 transactions.

The third quarter had one large deal, the sale of First Eagle Investment Management LLC by TA Associates. Blackstone Group and Corsair Capital private equity funds took a majority interest in the firm. Management will hold significant stakes as well. The firm was valued at about \$4 billion. Also in the quarter, Kayne Anderson Capital Advisors was bought by Ares Management LLC for \$2.5 billion,

During the third quarter, there were 10 deals that did not involve money managers. There were two defined contribution record-keeping deals in the quarter, including the sale of Ascensus' and Mercer's record keeping-businesses. There were three deals involving environmental, social and governance research and consulting firms, including Ethix SRI Advisors, ESG Analytics and Imprint Capital.

All information is based on transactions reported by *Pensions & Investments*' global reporting staff.

**AUM involved in M&A transactions \$ billions**



**Overviews of the three largest transactions by AUM** (\$ amounts in millions unless otherwise stated)

**Company 1:** TA Associates (First Eagle Investment Management)      **Company 2:** Blackstone and Corsair Capital

**Deal type:** Acquisition

**Percent sought:** Majority

**AUM:** \$100,000

**Price:** \$4,000

**Summary:** The Blackstone Group and Corsair Capital have made a majority long-term investment in First Eagle Investment Management, said First Eagle spokesman Paul Frankle. Blackstone and Corsair's investment, which total about \$4 billion, was made through their private equity funds. The names of the funds were not disclosed. The transaction includes the sale by private equity firm TA Associates of its entire investment in First Eagle.

**Target:** Cascade Investment (Hamilton Lane)

**Acquirer:** Management

**Deal type:** Acquisition

**Percent sought:** 20.0%

**AUM:** \$33,363

**Price:** NA

**Summary:** Hamilton Lane is buying back Cascade Investment's minority stake in the alternatives money management firm, said Andrew McGloin, Hamilton Lane spokesman. The purchase price is not being disclosed.

**Target:** Kayne Anderson Capital Advisors

**Acquirer:** Ares Management LLC

**Deal type:** Acquisition

**Percent sought:** 100.0%

**AUM:** \$26,000

**Price:** \$2,550

**Summary:** Ares Management is buying energy manager Kayne Anderson Capital Advisors in a \$2.55 billion deal paid for with Ares operating group units, the firms announced Thursday. The transaction is expected to close around the beginning of 2016, subject to regulatory approvals, Kayne Anderson investor consents and other conditions.

**Target:** Marshall Wace

**Acquirer:** Kohlberg Kravis Roberts & Co.

**Deal type:** Acquisition

**Percent sought:** 24.9%

**AUM:** \$22,000

**Price:** NA

**Summary:** KKR & Co. will acquire a 24.9% ownership stake in long/short equity hedge fund manager Marshall Wace, with the possibility of increasing its ownership interest to 39.9%. Specifics of the deal — which will include a combination of cash and KKR shares — are not being disclosed, said Kristi Huller, a KKR spokeswoman. The deal is expected to close before the end of the year, pending regulatory approval.

**Target:** Matthews International Capital Management LLC

**Acquirer:** Mizuho Financial Group

**Deal type:** Acquisition

**Percent sought:** 16%

**AUM:** \$21,500

**Price:** NA

**Summary:** Mizuho Financial Group is purchasing a minority equity stake in money manager Matthews International Capital Management, a news release from Matthews said. Mizuho's purchase of 16% of the San Francisco-based money manager, which invests primarily in Asia, is expected to close at the end of the first quarter of 2016. Terms of the deal were not disclosed.