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Q1 2017 money manager M&A activity summary

Money manager M&A activity in the first quarter increased almost 40% from the previous quarter, with assets involved in the transactions totaling \$949.1 billion. Assets rose almost 300% from the year-earlier quarter.

Twenty-four money management deals took place in the first quarter, up from 22 in the previous quarter. In the first quarter of 2016, there were 21 transactions.

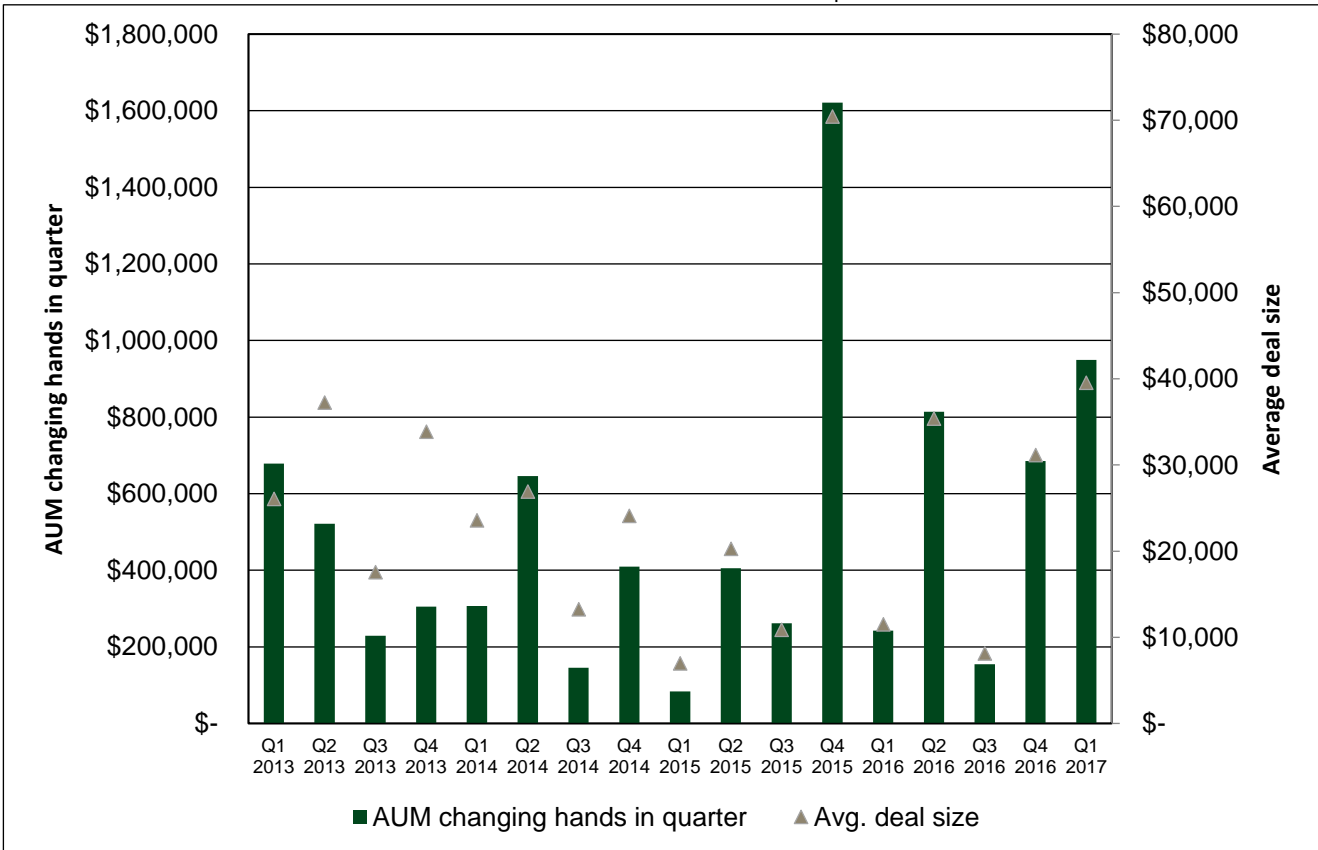
There was a blockbuster deal in the U.K. with the merger of Aberdeen Asset Management Inc. and Standard Life Investments Ltd. The combined company will have more than \$700 billion in assets under management.

SoftBank Group Corp. agreed to acquire Fortress Investment Group LLC for more than \$3 billion, or \$8.08 per share. That ended Fortress' rocky path as a listed company, which at one point in the financial crisis saw its stock price drop below \$1. There were two other outbound M&A deals from Asia: HNA Capital U.S. acquired a 24.95% stake in OM Asset Management and Mitsui & Co. acquired a 20% stake in CIM Group.

During the first quarter, there were 15 deals that did not involve money managers. Among them, Blackstone Group agreed to acquire Aon's U.S. defined contribution record-keeping business and Virtu Financial made an offer to acquire trading firm KCG Holdings for \$1.3 billion.

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: Aberdeen Asset Management Inc.

Deal type: Merger

AUM: \$369,810 (Aberdeen)

Summary: Standard Life and Aberdeen Asset Management reached agreement on the terms of a recommended all-share merger in a deal that will create “an asset management powerhouse,” said Keith Skeoch, CEO of Standard Life. Under the terms of the deal, Aberdeen shareholders will be entitled to receive 0.757 new shares in exchange for each Aberdeen share. Aberdeen shareholders will own about 33.3% of the merged company, and Standard Life shareholders the remaining 66.7% of the combined group.

Target: OM Asset Management

Deal type: Acquisition

AUM: \$240,000

Summary: HNA Capital U.S. will acquire a 24.95% stake in U.S.-based OM Asset Management in a two-part, \$446 million deal.

Target: China Asset Management Co.

Deal type: Acquisition

AUM: \$158,583

Summary: Mackenzie Financial Corp., a Winnipeg, Manitoba-based affiliate of holding company Power Financial Corp. Group, will acquire a 10% stake in Beijing-based China Asset Management Co. for roughly 2.4 billion renminbi (\$346 million).

Target: Fortress Investment Group LLC

Deal type: Acquisition

AUM: \$70,100

Summary: Ten years after Fortress Investment Group LLC listed on the New York Stock Exchange, Japan's SoftBank Group Corp. has agreed to buy the alternative-asset manager for \$3.3 billion, according to a statement Tuesday.

Target: Hamilton Lane Advisors LLC

Deal type: IPO

AUM: \$40,000

Summary: Hamilton Lane went public Wednesday on the Nasdaq Stock Market at \$16 a share and closed up 12.6% at \$18.02 on its first day of trading. Hamilton Lane offered 11,875,000 Class A at \$16, the midpoint of its initial public offering range, according to a Hamilton Lane news release and a prospectus filed with the Securities & Exchange Commission Wednesday. The offering raised \$200 million. It trades under the ticker HLNE.

Company 2: Standard Life Investments Ltd.

Percent sought: 1/3 | 2/3

Price: NA

Acquirer: HNA Capital U.S.

Percent sought: 24.95%

Price: \$446

Acquirer: Mackenzie Investments

Percent sought: 10%

Price: \$346

Acquirer: SoftBank Group Corp.

Percent sought: 100%

Price: \$3,300

Acquirer: NA

Percent sought: NA

Price: NA