

**Q1 2018 money manager M&A activity summary**

Money manager M&A activity in the first quarter increased about 10% from the previous quarter, with assets involved in the transactions totaling \$1.4 trillion, up from \$1.335 trillion. Assets rose 52% from the year-earlier quarter.

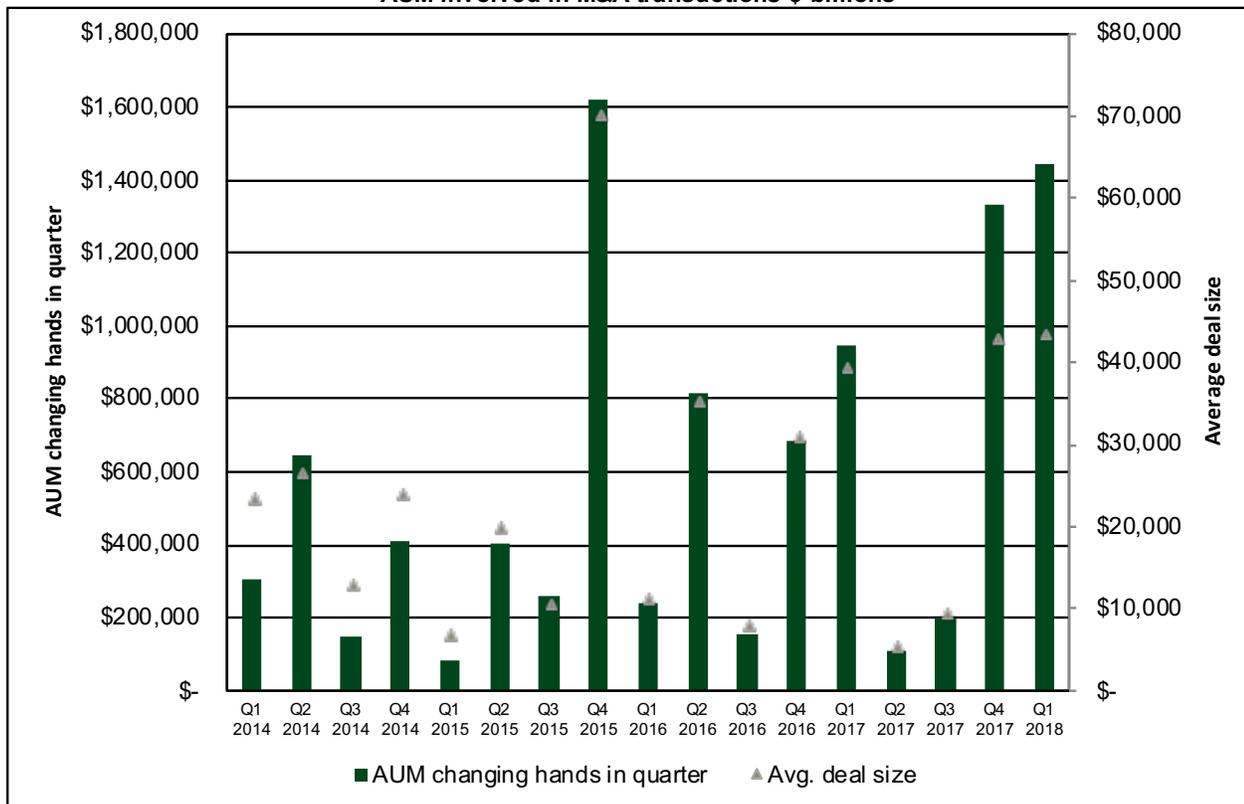
Thirty-three money management deals took place during the most recent quarter, up from 31 in the previous quarter. In the first quarter of 2017, there were 24 transactions.

The blockbuster deal in the quarter was the spinoff of DWS Group GmbH & Co. KGaA from Deutsche Bank AG. The newly independent company has more than \$800 billion in assets under management. Nippon Life Insurance Co. took a 5% stake in the spinoff.

Blackstone's Strategic Capital Holdings Fund made three minority investments in the quarter. Fiera Capital made two acquisitions in the quarter, bringing its total to six since 2016. A notable deal in the hedge fund-of-funds universe was Lighthouse Partners' acquisition of Mesiraw Advanced Strategies, with \$8 billion in AUM. Lighthouse will become the eighth largest hedge fund-of-funds firm, up from 17th largest.

During the first quarter, there were 17 deals that were retirement related but did not involve money managers. Ascensus completed four of those deals. It acquired Dedicated Defined Benefit Services, Qualified Plans, Avintus and ASPERIA Retirement Plan Solutions. SS&C Technologies Holdings paid \$5.4 billion for DST Systems.

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



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

**Company 1:** DWS Group GmbH & Co. KGaA

**Company 2:** Deutsche Bank

**Deal type:** Spinoff

**Percent sought:** 22.5%

**AUM:** \$862,200

**Price:** NA

**Summary:** DWS Group GmbH & Co. KGaA, the renamed money management unit of Deutsche Bank, started trading Friday with an opening share price of €32.55 on the Frankfurt Stock Exchange. The share price closed at €33.08, up 1.6% in the first day of trading. The money management unit said in a news release Friday that "the m capitalization of DWS reached approximately €6.5 billion (\$8 billion) in the morning hours of Friday." DWS planned sell between 20% and 25% of the unit through an initial public offering, which was first announced in 2017. DWS originally set its share-price range between €30 to €36 per share.

**Target:** Blackstone Group

**Acquirer:** China Investment Corp.

**Deal type:** Divestment

**Percent sought:** 9.9%

**AUM:** \$335,343

**Price:** NA

**Summary:** China Investment Corp. has sold its 9.9% stake in Blackstone Group. CIC bought its stake in June 2007 for \$3 billion, at a discount, sources said. Blackstone went public that month.

**Target:** Victory Capital Management Inc.

**Acquirer:** NA

**Deal type:** IPO

**Percent sought:** NA

**AUM:** \$61,800

**Price:** NA

**Summary:** Victory Capital Holdings went public on Thursday, pricing 11.7 million shares at \$13 per share. The shares began trading Thursday on the Nasdaq Global Select Market under the ticker symbol VCTR.

**Target:** PAG

**Acquirer:** Strategic Capital Holdings Fund

**Deal type:** Acquisition

**Percent sought:** Minority

**AUM:** \$20,000

**Price:** NA

**Summary:** Blackstone Group's Strategic Capital Holdings Fund is taking a minority, passive stake in PAG, an Asia-focused alternative investment firm, a news release said. The size of the stake and the terms of the transaction are not being disclosed.

**Target:** CIMB-Principal Asset Management Group and CIMB-Principal Islamic Asset Management

**Acquirer:** Principal Global Investors

**Deal type:** Acquisition

**Percent sought:** 20%

**AUM:** \$17,500

**Price:** \$117

**Summary:** Principal Financial Group will acquire an additional 20% stake in Kuala Lumpur-based CIMB-Principal Asset Management Group from its joint venture partner, Malaysian financial conglomerate CIMB Group, according to a joint announcement by Principal Financial and CIMB. The deal gives Principal a majority 60% stake in the 70 billion ringgit (\$17.5 billion) Southeast Asian money management firm. Principal Financial will pay up to 470.3 million ringgit for that additional stake, as well as an additional 10% stake in CIMB-Principal Islamic Asset Management, leaving both partners with a 50% stake, according to the joint news release.