

Q3 2018 money manager M&A activity summary

Money manager M&A deals in the third quarter increased 8% while assets involved fell 57% from the second quarter.

Twenty eight money management deals took place during the most recent quarter, an increase from 26 in the previous quarter. In the third quarter of 2017, there were 21 transactions. Total AUM involved in the transactions were \$205.9 billion, down from \$476.8 billion from the previous quarter.

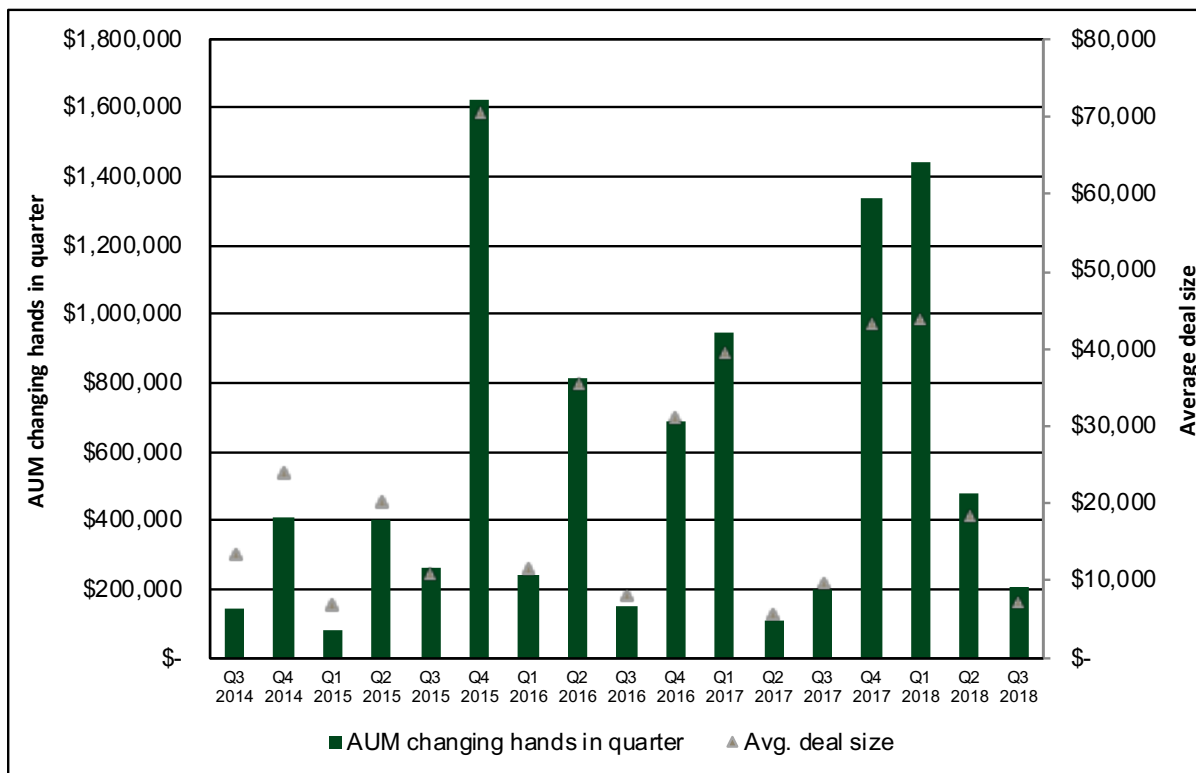
In the third quarter, Toronto-Dominion Bank agreed to acquire Greystone Capital Management Inc. in a push to become the largest Canadian money manager. Greystone shareholders will receive cash and stock for a net purchase price of C\$792 million (\$614 million). Commerzbank AG agreed to sell its equity markets and commodities business, including the €9 billion (\$10.5 billion) exchange-traded funds unit, to Societe Generale Group.

Dyal Capital Partners made two acquisitions in the quarter. It acquired a minority stake in Round Hill Capital, the London-based real estate manager, and has also agreed to acquire a minority stake in middle-market private equity firm Bridgepoint. Blackstone Group and Goldman Sachs will jointly own a less than 10% interest in Francisco Partners, the first time Blackstone has joined with another manager to take a minority stake in an alternative investment firm. Brookfield Asset Management will acquire Forest City Realty Trust Inc., a real estate investment trust, in an all-cash transaction valued at \$11.4 billion.

During the third quarter, there were 11 deals that were retirement related but did not involve money managers. Ascensus completed three of those deals. It acquired Continental Benefits Group, 401k Plus and INTAC Actuarial Services Inc. State Street Corp. is acquiring Charles River Development, which provides investment management front-office tools and services, for \$2.6 billion in cash. Marsh & McLennan Cos. will acquire insurance, reinsurance and employee benefits firm Jardine Lloyd Thompson Group in a £4.3 billion (\$5.6 billion) deal.

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

AUM involved in M&A transactions \$ billions



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

Target: WCM Investment Management

Acquirer: Natixis Investment Managers

Deal type: Acquisition

Percent sought: 24.9%

AUM: \$29,000

Price: NA

Summary: Natixis Investment Management will acquire a 24.9% minority stake in active global growth equity specialist WCM Investment Management, confirmed Elizabeth Bartlett, a Natixis spokeswoman. Terms of the deal, which is expected to close in the second half of this year, are not being disclosed, Ms. Bartlett said. WCM will continue to operate autonomously under its own name and will strike a long-term exclusive distribution agreement with Natixis.

Company 1: Greystone Capital Management Inc.

Company 2: Toronto-Dominion Bank

Deal type: Acquisition

Percent sought: 100%

AUM: \$27,409

Price: \$614

Summary: Toronto-Dominion Bank agreed to acquire Greystone Capital Management Inc. in a push to become the largest Canadian money manager. The purchase, if approved, would boost TD's asset management unit by C\$36 billion in assets under management, making it the nation's largest, the bank said. Greystone will take on the name TD Greystone Asset Management while continuing to operate out of Regina, Saskatchewan.

Target: Aperio Group

Acquirer: Golden Gate Capital

Deal type: Acquisition

Percent sought: NA

AUM: \$27,000

Price: NA

Summary: Private equity firm Golden Gate Capital acquired a majority stake in investment management firm Aperio Group, Golden Gate said in a news release. Terms were not disclosed. Aperio has \$27 billion in assets under management in targeted risk, socially responsible and ESG strategies.

Target: Bridgepoint

Acquirer: Dyal Capital Partners

Deal type: Acquisition

Percent sought: NA

AUM: \$18,000

Price: NA

Summary: Dyal Capital Partners, the \$14 billion division of Neuberger Berman, agreed to acquire a minority stake in middle-market private equity firm Bridgepoint, a spokesman said. The terms of the transaction were not publicly disclosed, the spokesman added. The European private equity firm has €28.2 billion (\$32.6 billion) of committed funds and €18 billion in assets.