

**Q4 2018 money manager M&A activity summary**

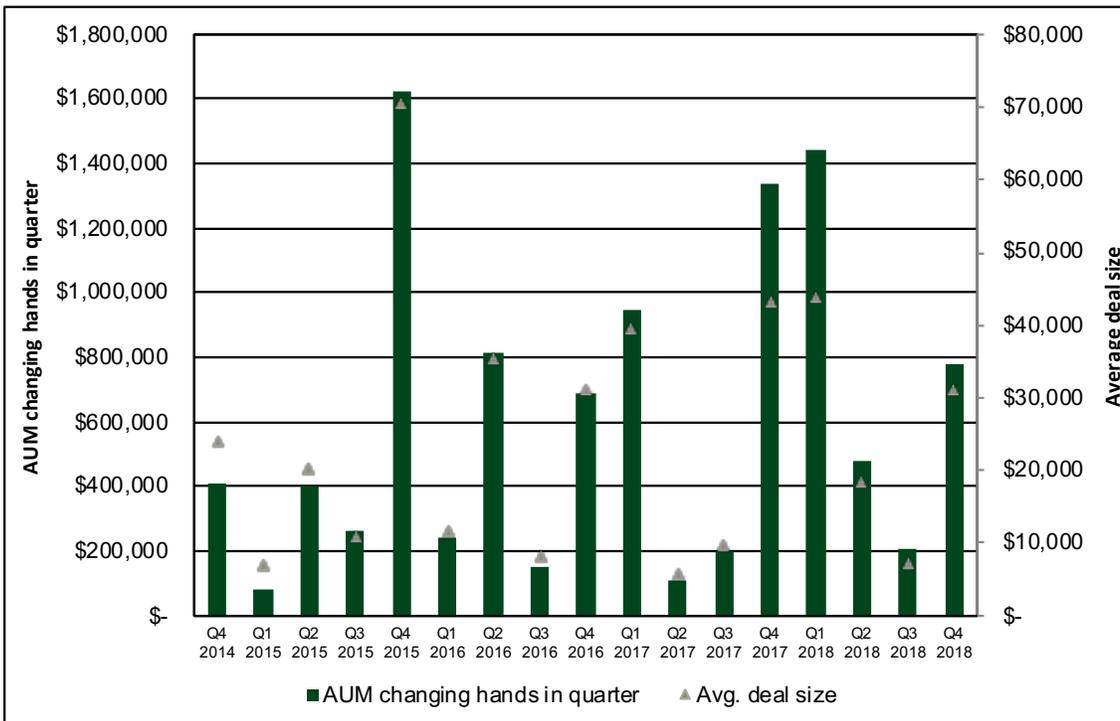
Twenty-five money management deals took place in the fourth quarter, an 11% decrease from the previous quarter. In the fourth quarter of 2017, there were 31 transactions. AUM involved in the transactions totaled \$780.92 billion, up 279% from \$205.92 billion from the previous quarter. However, total assets involved decreased 41% from the same period a year ago.

In the fourth quarter, Invesco agreed to acquire OppenheimerFunds from Massachusetts Mutual Life Insurance for roughly \$5.71 billion. The deal was expected to bring Invesco's total assets under management to more than \$1.2 trillion, making it the 13th largest global investment manager and sixth largest U.S. investment manager. Commonwealth Bank of Australia announced the sale of its global money management business, Colonial First State Global Asset Management, to Mitsubishi UFJ Trust and Banking for A\$4.1 billion (\$2.9 billion). Intermediate Capital Group unit ICG Strategic Equity Advisors agreed to a \$1 billion purchase of the majority of Standard Chartered's private equity investment portfolio, which will be managed by Standard Chartered spinout Affirma Capital.

Paulson & Co. announced it would purchase a 24.95% stake in \$238 billion money manager BrightSphere Investment Group from HNA Capital Holding. Northhill Capital is acquiring a 75% ownership stake in \$28 billion investment outsourcing specialist Strategic Investment Group from private equity manager FFL Partners. Dyal Capital Partners acquired a minority ownership interest in \$17 billion private equity manager American Securities.

During the fourth quarter, there were 12 deals that were institutional investing related but did not involve money managers. Goldman Sachs Asset Management agreed to acquire Rocaton Investment Advisors to expand its advisory and discretionary services for institutional clients, which had more than \$600 billion in assets under advisement as of Sept. 30. Investment consulting firms Cafaro Greenleaf and Carroll Consultants agreed to merge, which would lead to a new client base of 300 retirement and group benefit plans with assets under advisement of more than \$4.6 billion. Virtu agreed to acquire agency brokerage and trading analytics provider Investment

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



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

**Target:** OppenheimerFunds

**Acquirer:** Invesco

**Deal type:** Acquisition

**Percent sought:** 100%

**AUM:** \$246,000

**Price:** \$5,715

**Summary:** Invesco agreed to acquire OppenheimerFunds from Massachusetts Mutual Life Insurance, a deal expected to bring Invesco's total assets under management to more than \$1.2 trillion. Under the terms of the agreement, as P&I reported, "Invesco will acquire OppenheimerFunds with consideration to MassMutual and OppenheimerFunds employee shareholders consisting of 81.9 million shares of Invesco common equity and \$4 billion in perpetual, non-cumulative preferred shares with a 21-year non-call period and a fixed rate of 5.9%."

**Target:** BrightSphere Investment Group

**Acquirer:** Paulson & Co.

**Deal type:** Acquisition

**Percent sought:** 24.95%

**AUM:** \$238,000

**Price:** NA

**Summary:** Paulson & Co. is purchasing the stake in \$238 billion multiboutique manager BrightSphere Investment Group that previously was held by HNA Capital Holding. The alternative asset manager is expected to own 24.95% of the ordinary shares of BrightSphere following completion of the transaction.

**Target:** Colonial First State Global Asset Management

**Acquirer:** Mitsubishi UFJ Trust and Banking Corp

**Deal type:** Acquisition

**Percent sought:** 100%

**AUM:** \$150,659

**Price:** \$2,900

**Summary:** Mitsubishi UFJ Trust and Banking is acquiring First State Investments in an A\$4.1 billion (\$2.9 billion) deal. First State's owner, Commonwealth Bank of Australia, announced it would sell its global money management business — known as Colonial First State Global Asset Management in Australia. The firm has A\$213 billion in

**Target:** Strategic Investment Group

**Acquirer:** Northill Capital

**Deal type:** Acquisition

**Percent sought:** 75%

**AUM:** \$28,000

**Price:** NA

**Summary:** Northill Capital is acquiring a 75% ownership stake in investment outsourcing specialist Strategic Investment Group from private equity manager FFL Partners, confirmed Jonathan Little, Northill partner and founder. Mr. Little declined to disclose the financial details of the deal. To date, Northill has acquired majority ownership in five managers running a total of \$56 billion. Strategic Investment Group manages \$28 billion and will be the sixth money manager in Northill's portfolio.