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**Q4 2014 money manager M&A activity summary**

Money manager merger and acquisition activity in the fourth quarter increased sharply from the previous quarter, with total assets in transactions standing at \$409.5 billion — up more than 150% from the third quarter. Transactions were up around 34% from the fourth quarter of 2013.

All information in this analysis of money manager M&A activity is based on transactions reported by *Pensions & Investments*' global reporting staff.

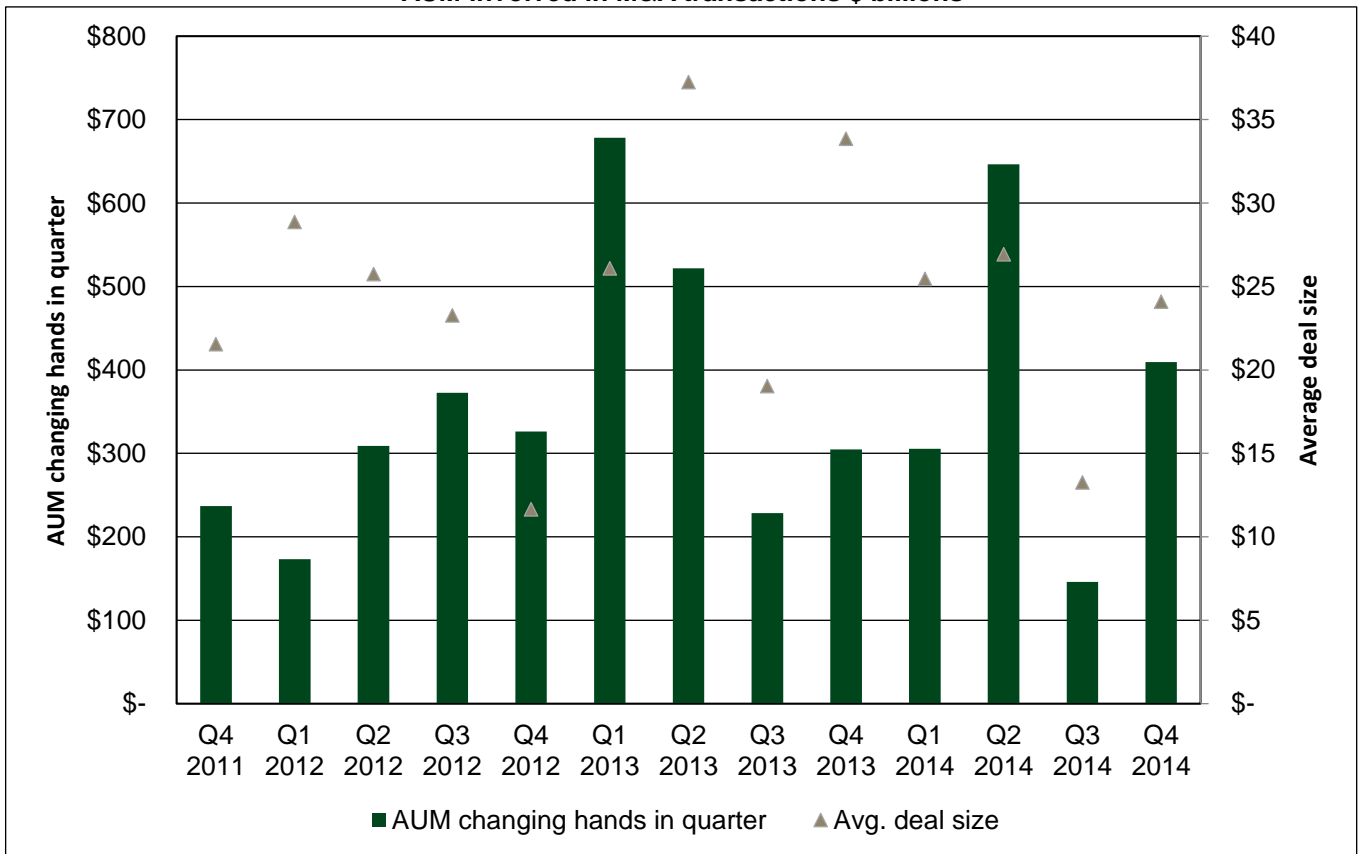
The 17 money management deals in the fourth quarter represented a significant increase from the previous quarter, when there were 11. In the fourth quarter of 2013, there were nine transactions.

The quarter saw several transactions involving managers of exchange-traded funds. Janus Capital Group purchased VelocityShares. The move could help the firm launch an ETF strategy for Bill Gross to manage. New York Life Investment Management purchased IndexIQ. Victory Capital Management acquired Compass Efficient Model Portfolios, which manages several ETFs.

The standout deal in the quarter was the IPO of Old Mutual Asset Management, which had been thinking about an initial public offering for several years. The stock ended the year at \$16.24, up from the \$14 IPO price.

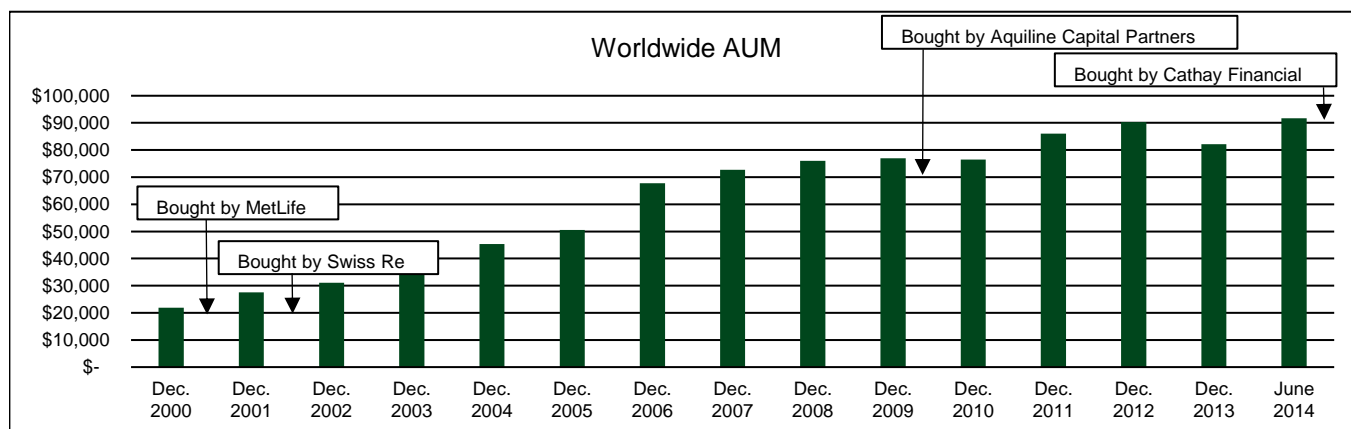
During the quarter, four financial services transactions did not involve money managers. Included in those deals was the acquisition of New York Life Retirement Plan Services by John Hancock Financial.

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



## Deal spotlight

Conning Asset Management Co., a Hartford, Conn.-based money manager focused on insurance clients, will change hands again. Cathay Financial Holdings will buy the company from private equity firm Aquiline Capital Partners for up to \$240 million. In 2000, the firm was taken private by MetLife, valuing the company around \$175 million. In 2001, the firm was sold to Swiss Reinsurance. In 2009, the company was sold to Aquiline.



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

**Target:** OM Asset Management

**Acquirer:** NA

**Deal type:** IPO

**Percent sought:** NA

**AUM:** \$221,000

**Price:** NA

**Summary:** Shares in Old Mutual PLC's U.S. money management subsidiary, OM Asset Management, began trading Thursday on the New York Stock Exchange at a price of \$14 per share. Last month, Old Mutual announced plans to sell 22 million of OM Asset Management's ordinary shares at a price range between \$15 and \$17. The revised price of \$14 per share gives the company proceeds of \$308 million, said a spokesman for Old Mutual. The shares on offer equate to 18.3% of the total, giving OMAM a market capitalization of about \$1.7 billion.

**Target:** Conning Asset Management Co.

**Acquirer:** Cathay Financial Holdings

**Deal type:** Acquisition

**Percent sought:** 90.1%

**AUM:** \$92,000

**Price:** \$240

**Summary:** Cathay Financial Holding Co. will buy Conning Holdings Corp., a Hartford, Conn.-based money manager focused on insurance clients, from private equity firm Aquiline Capital Partners for up to US\$240 million, the Taipei-based financial conglomerate announced Wednesday.

**Target:** Cutwater Asset Management

**Acquirer:** BNY Mellon Asset Management

**Deal type:** Acquisition

**Percent sought:** 100.0%

**AUM:** \$23,000

**Price:** NA

**Summary:** Bank of New York Mellon (BK) has agreed to acquire Cutwater Asset Management from MBIA, BNY Mellon spokesman Mike Dunn said. Financial terms of the deal were not disclosed. The transaction is expected to close by early in the first quarter of 2015.