

Q3 2021 money manager M&A activity summary

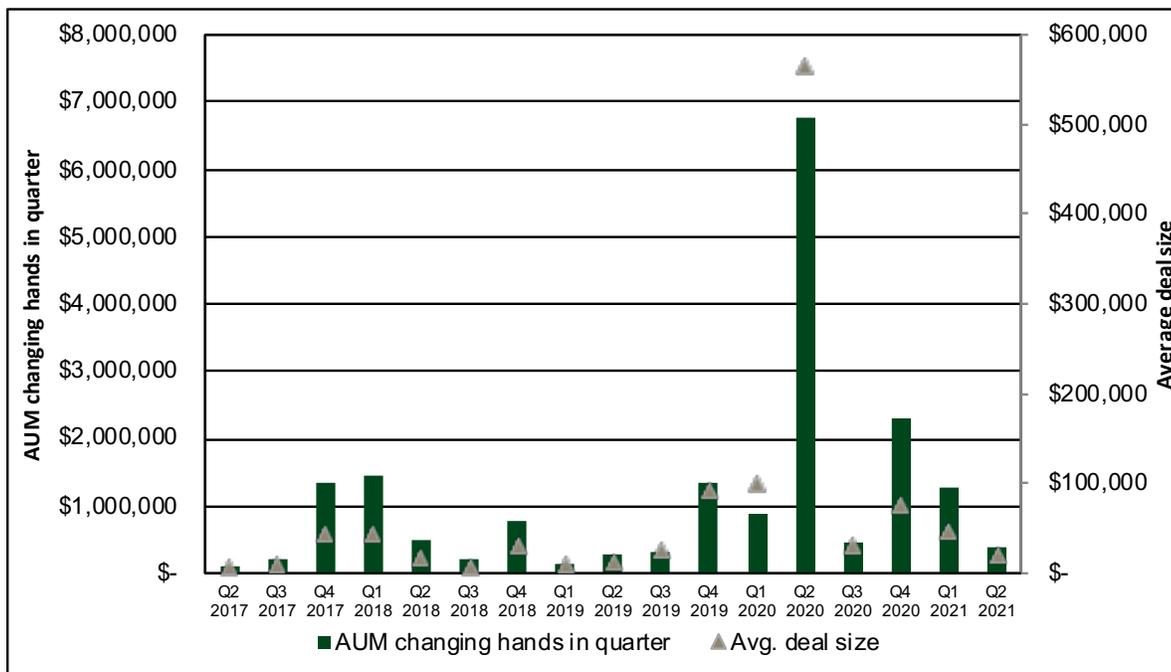
Thirty-two money management deals took place in the third quarter of 2021. In the third quarter of 2020, there were 15 transactions. Assets under management involved in the latest quarter's transactions totaled \$1.04 trillion, up 167% from \$389.5 billion in the previous quarter.

In the third quarter, real estate developer ESR Cayman Ltd. agreed to acquire ARA Asset Management — with \$95 billion in assets under management — for \$5.2 billion. Goldman Sachs Group took its alternatives business Petershill Partners public, which was valued at £4bn on the London Stock Exchange, and also agreed to acquire NN Investment Partners for €1.6 billion. StepStone Group agreed to pay \$725 million for venture capital Greenspring Associates. Athene Holding and Apollo Global Management agreed to acquire an additional 15% stake in Australian investment firm Challenger for \$546 million. Macquarie Asset Management agreed to purchase AMP Ltd.'s global equities and fixed income business for up to A\$185 million.

There also were 26 deals in the quarter that did not involve money managers. State Street agreed to acquire BBH Investor Services for \$3.5 billion in cash from Brown Brothers Harriman, which had \$5.4 trillion in assets under custody. Empower Retirement agreed to pay \$3.55 billion for Prudential Financial Inc.'s retirement plan business. MSCI agreed to pay \$950 million in cash for Real Capital Analytics. Oxford Properties Group agreed to buy 149 distribution centers from KKR & Co. for \$2.2 billion. Transurban Group and some institutional investors will pay A\$11 billion for a 49% stake in the WestConnex Sydney toll road project from the New South Wales government.

Aon is required to pay a \$1 billion termination fee to Willis Towers Watson after the merger was called off as a result of the antitrust suit filed by the U.S. Department of Justice to block the acquisition. Aon's deals to sell its U.S. retirement consulting business to Aquiline Capital Partners, Aon Retiree Health Exchange business to Alight Solutions and four businesses from Aon Solutions and Aon Pension Insurance Broking to LCP were canceled. NGS Super and Australian Catholic Superannuation ended the merge discussions due to changes in Australia's regulatory and commercial environments.

AUM involved in M&A transactions \$ billions



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

Target: NN Investment Partners

Acquirer: Goldman Sachs Group

Deal type: Acquisition

Percent sought: 100%

AUM: \$355,000

Price: \$1900

Summary: Goldman Sachs Group agreed to purchase NN Investment Partners from NN Group for €1.6 billion (\$1.9 billion) in cash. The acquisition will bring in 900 professionals from NN IP, added expertise in European equity and fixed-income strategies and Goldman Sachs Asset Management will manage \$190 billion in assets for NN Group.

Target: PFM Asset Management

Acquirer: U.S. Bank

Deal type: Acquisition

Percent sought: 100%

AUM: \$123,000

Price: NA

Summary: U.S. Bank subsidiary U.S. Bancorp Asset Management agreed to purchase PFM Asset Management, but its advisory business is not a part of the deal.

Target: ARA Asset Management Ltd.

Acquirer: ESR Cayman Ltd.

Deal type: Acquisition

Percent sought: 100%

AUM: \$95,000

Price: \$5200

Summary: Hong Kong logistic real estate developer ESR Cayman Ltd. agreed to acquire ARA Asset Management Ltd., the largest real assets manager in the Asia-Pacific region, for \$5.2 billion. The deal will increase ESR Cayman's total assets under management to \$129 billion.

Target: Challenger

Acquirer: Athene Holding and Apollo Global

Deal type: Acquisition

Percent sought: 15%

AUM: \$78,860

Price: \$546

Summary: Athene Holding and Apollo Global Management agreed to acquire an additional 15% stake in Australian investment firm Challenger, which has A\$104 billion in assets under management.