



# Steady as She Goes

2024 Asset & Wealth Management Transaction Review and 2025 Forecast

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The background image shows a business meeting in progress. A person in a dark suit is pointing at a tablet held by another person. In the foreground, a hand is visible pointing at a printed document that contains a bar chart and a table of data. The scene is set in an office with a window in the background. A semi-transparent teal rectangle is overlaid on the left side of the image, containing the text 'I. Overview'.

# I. Overview

# 2024 by the Numbers

Asset and wealth management M&A activity remained robust across the board in 2024. Average deal value and average AUM transacted increased considerably, supported by healthy valuation levels and new emerging buyers

|   | Wealth Management |          |              | Alternative Asset Management |          |              | Traditional Asset Management |          |              |
|---|-------------------|----------|--------------|------------------------------|----------|--------------|------------------------------|----------|--------------|
| 2024 by the Numbers                     | 2024              | vs. 2023 | vs. L5Y Avg. | 2024                         | vs. 2023 | vs. L5Y Avg. | 2024                         | vs. 2023 | vs. L5Y Avg. |
| Number of Transactions                  | 278               | ↓        | ↑            | 73                           | -        | ↑            | 37                           | ↑        | ↓            |
| Aggregate Disclosed Deal Value          | \$10.9B           | ↑        | ↑            | \$37.8B                      | ↑        | ↑            | \$16.3B                      | ↑        | ↑            |
| Aggregate AUM Transacted                | \$1.4T            | ↑        | ↑            | \$0.8T                       | ↓        | ↑            | \$1.6T                       | ↑        | ↑            |
| Minority Stake Transactions             | 29                | ↑        | ↑            | 36                           | ↑        | ↑            | 10                           | ↑        | ↓            |
| Initial Public Offerings <sup>(1)</sup> | 0                 | -        | -            | 1                            | ↑        | ↓            | 0                            | -        | -            |
| Cross-Border Transactions               | n/a               | n/a      | n/a          | 35                           | ↓        | ↑            | 13                           | ↑        | ↓            |
| Median EV / EBITDA Multiple             | 17.0x             | ↑        | ↑            | 19.9x                        | ↑        | ↑            | 6.6x                         | ↓        | ↓            |

Source: Piper Sandler

Note: Median EV / EBITDA Multiple reflects run-rate multiples for transactions involving a target with >\$1.0 billion of AUM

1) No arrow indicates that the average number of IPOs is less than one

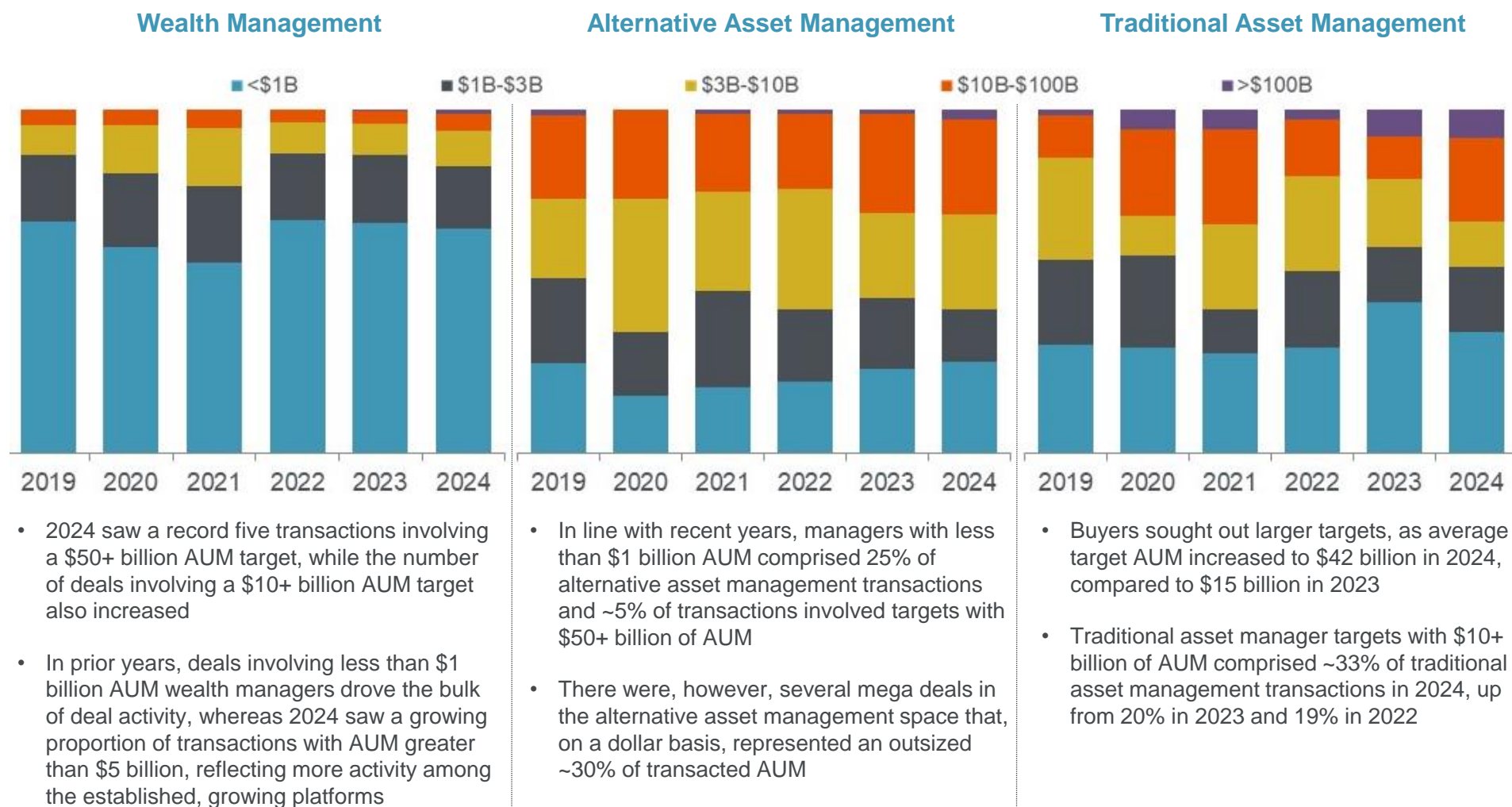
# Major Trends Across Asset & Wealth Management in 2024

| Wealth Management   | Alternative Asset Management   | Traditional Asset Management   |
|---|--|--|
| <b>Sellers</b> <ul style="list-style-type: none"> <li>Wealth management deal activity remained robust in 2024 with 278 transactions, down marginally from 2023's 284 deals</li> <li>Valuations of wealth management sellers remained very strong for scaled platforms with proven organic growth and an ability to pursue inorganic growth initiatives</li> </ul><br><b>Buyers</b> <ul style="list-style-type: none"> <li>Financial sponsors and sponsor-backed wealth platforms remained the primary drivers of M&amp;A activity, representing 70%+ of all wealth management transactions</li> <li>In 2024, minority stake buyers and sovereign wealth vehicles emerged as alternatives to financial sponsors for wealth management sellers</li> </ul> | <b>Sellers</b> <ul style="list-style-type: none"> <li>Alternative asset management M&amp;A activity remained steady with 73 transactions in 2024, in-line with 73 in 2023</li> <li>Transactions involving a credit-focused alternative asset manager increased from 32% of alts transactions in 2023 to 42% in 2024, while notably fewer private equity-focused managers transacted in 2024</li> </ul><br><b>Buyers</b> <ul style="list-style-type: none"> <li>Buyers increasingly focused on sellers' ability to raise capital as well as adding fully-scaled specialists to meaningfully expand product offerings</li> <li>Minority stake buyers were less active acquirers, with some monetizing or exiting investments, while others sought to offer other financing structures vs. acquiring GP stakes</li> </ul> | <b>Sellers</b> <ul style="list-style-type: none"> <li>There were 37 traditional asset management transactions in 2024, a 48% increase from 2023, but still significantly lower than longer-term averages</li> <li>Differentiated investment capabilities and/or distribution reach remain critical in finding a potential partner, though valuations still remain muted despite a rebounding market performance amongst the publicly-traded traditional asset manager universe in the U.S.</li> </ul><br><b>Buyers</b> <ul style="list-style-type: none"> <li>Asset managers continue to represent the majority, but a broader variety of financial institutions are using M&amp;A to expand their traditional asset management capabilities</li> <li>The number of large deals increased substantially as firms sought to meet sector headwinds by leveraging the benefits of scale and enhanced investment capabilities or distribution reach</li> </ul> |
| Key Metrics   |  |  |
| Average Target AUM  | Average Target AUM   | Average Target AUM   |
| \$5.0 billion   | \$10.8 billion   | \$42.1 billion   |
| Minority Stake / Control Deals  | Minority Stake / Control Deals   | Minority Stake / Control Deals   |
| 29 Min. Stake / 249 Control   | 36 Min. Stake / 36 Control   | 10 Min. Stake / 27 Control   |
| Most Active Buyer (# of Deals / % of Deals)   | Most Active Buyer (# of Deals / % of Deals)  | Most Active Buyer (# of Deals / % of Deals)  |
| Sponsor-Backed Platform (186 / 67%)   | Asset Manager (41 / 57%)   | Asset Manager (21 / 57%)   |



# Asset Management Transaction Size Trends

In 2024, average deal size across wealth management, alternative asset management, and traditional asset management increased meaningfully



# Deal Value

**2024 was a record year for deals with disclosed deal value surpassing \$1.0 billion, as buyers capitalized upon high-conviction, strategic transactions**

- There were numerous transactions greater than \$1 billion in deal value in 2024 across alternatives (five), followed by traditional asset management (three) and wealth management (three)
- The largest deals across both alternative and traditional asset management were highly strategic in nature in 2024, with deals such as **Wendel Group** acquiring **Monroe Capital** and **BNP Paribas** acquiring **AXA Investment Managers**, both reflecting major strategic inflection points for the acquirers
- The wealth management space also observed several transactions with deal value greater than \$1 billion, including **Mubadala's** announced acquisition of **CI Financial** and **Advent International & ADIA's** investment in **Fisher Investments**, highlighting the potential role of sovereign wealth vehicles in scaled wealth platforms

## Asset & Wealth Management Transactions with >\$1B in Disclosed Deal Value

(\$Billions)

|    | Target                         | Acquirer            | Target Type    | AUM      | Deal Value <sup>(1)</sup> |
|----|--------------------------------|---------------------|----------------|----------|---------------------------|
| 1  | Global Infrastructure Partners | BlackRock           | Alternative AM | \$ 106.0 | \$ 12.5                   |
| 2  | HPS                            | BlackRock           | Alternative AM | 148.0    | 12.0                      |
| 3  | Hargreaves Lansdown            | Consortium          | Traditional AM | 196.4    | 6.9                       |
| 4  | AXA Investment Managers        | BNP Paribas         | Traditional AM | 917.4    | 5.3                       |
| 5  | GCP International              | Ares                | Alternative AM | 44.0     | 3.7                       |
| 6  | CI Financial <sup>(2)</sup>    | Mubadala            | Wealth Manager | 370.6    | 3.4                       |
| 7  | Fisher Investments             | Advent Int'l & ADIA | Wealth Manager | 275.0    | 3.0                       |
| 8  | Monroe Capital                 | Wendel Group        | Alternative AM | 19.5     | 1.1                       |
| 9  | PineBridge Investments         | MetLife             | Traditional AM | 100.0    | 1.0                       |
| 10 | Atria Wealth                   | LPL                 | Wealth Manager | 100.0    | 1.0                       |
| 11 | IPI Partners                   | Blue Owl            | Alternative AM | 10.5     | 1.0                       |

Source: Piper Sandler

1) Includes retention-based payments, excludes multi-year earn-outs

2) Reflects equity value, including debt \$5.3 billion of net debt

A professional setting with a person in a dark blue suit. One hand holds a black tablet with a gold pen, pointing at a line chart. The other hand points at a laptop screen showing a bar chart. Papers and a pen holder are also visible on the desk.

## II. Wealth Management



# Wealth Management M&A Overview

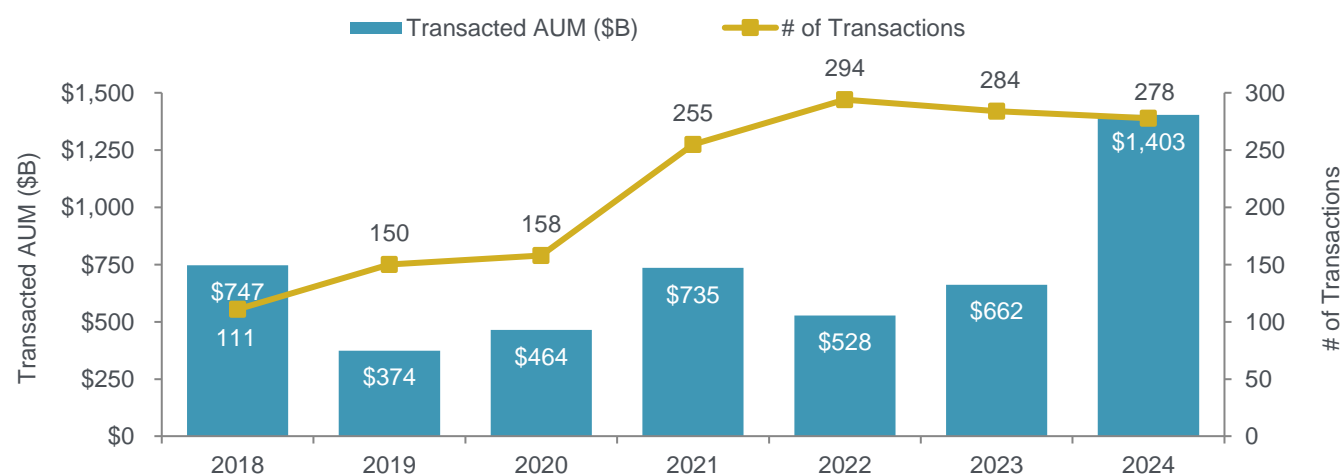
2024 once again saw a near-record number of M&A deals targeting wealth managers, with 278 announced transactions

- Wealth managers remained a prized target for private equity, as sponsors announced 19 wealth management platform investments in 2024, the highest count since 2021
  - Seven unique experienced sponsors acquired their second (or more) platform in 2024, as proven entities showed confidence in repeating the success of their investment theses
  - A growing number of PE buyers with significant dry powder are looking to deploy capital into the wealth management space, supporting pricing levels despite higher interest rates
- 2024 total disclosed deal value and AUM transacted soared to all-time highs, supported by ongoing industry growth tailwinds and the second consecutive year of strong equity markets
- Median transacted AUM rose to the highest levels since 2021 (\$529 million in 2024)
  - Average AUM transacted rose to \$5.0 billion in 2024, exceeding the \$3.0 billion mark for the first time since 2018, as an all-time 15 transactions greater than \$10 billion in AUM were announced

## 2024 Wealth Management Transaction Activity by the Numbers

|   | 2024           | vs. 2023 | vs. L5Y Avg. |
|---|----------------|----------|--------------|
| Wealth Manager Transactions               | 278            | ↓        | ↑            |
| Aggregate Disclosed Deal Value            | \$10.9 billion | ↑        | ↑            |
| Aggregate AUM Transacted                  | \$1.4 trillion | ↑        | ↑            |
| Minority Stake Transactions               | 29             | ↑        | ↑            |
| Initial Public Offerings <sup>(1)</sup>   | -              | -        | -            |
| Private Market Median M&A EBITDA Multiple | 17.0x          | ↑        | ↑            |

## 2024 Wealth Manager Transactions Count Remains Near All-Time High



Source: Piper Sandler

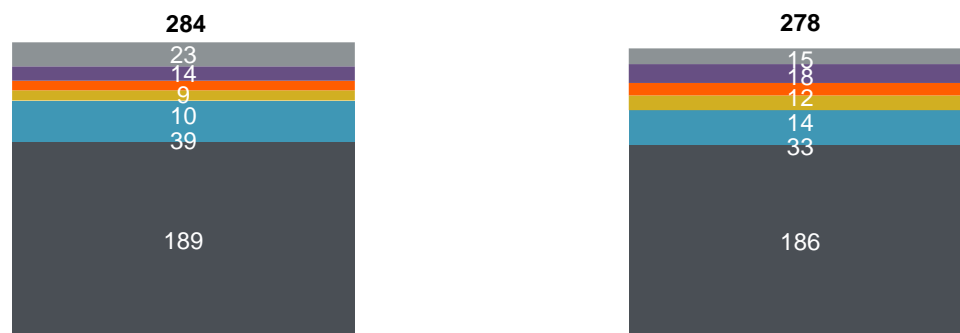
1) No arrow indicates that the average number of IPOs is less than one

# Wealth Management Buyers Landscape

PE-backed wealth platforms continue to dominate the wealth management M&A space, completing 186 transactions in 2024

- PE-backed wealth platforms were once again the most active acquirers in the space, representing 67% of all wealth management deals
  - Percent of total deals remained consistent with 2023, as PE-backed platforms completed >50% of all wealth manager deals for the fourth year in row
- Sponsors have transformed wealth management deal activity over the past decade
  - In 2015, sponsors and PE-backed platforms represented 38% of all wealth M&A activity
  - Nearly a decade later, PE-backed platforms now represent two-thirds of wealth management M&A volume
  - PE-backed platforms' access to capital and strategic guidance provides an edge to platforms in an increasingly competitive RIA landscape

Wealth Management M&A Activity by Acquirer



2023

2024

PE-Backed WM

Asset Manager

Sponsor

Independent Wealth Manager

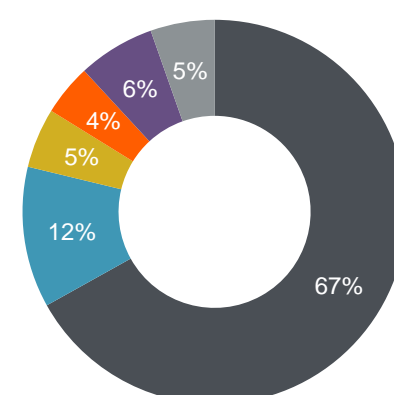
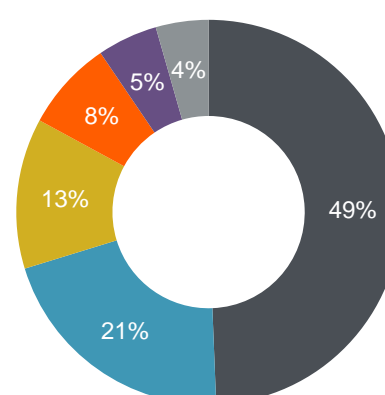
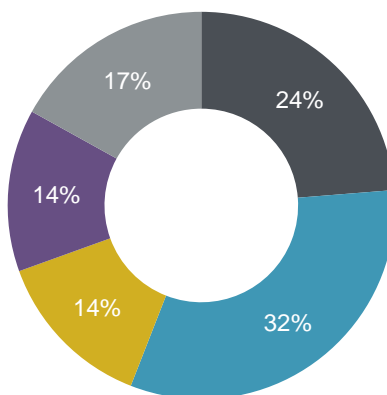
Minority Stake Buyers

Other

2015 Buyer Composition

2020 Buyer Composition

2024 Buyer Composition



PE-Backed WM

Asset Manager

Sponsor

Independent Wealth Manager

Minority Stake Buyers

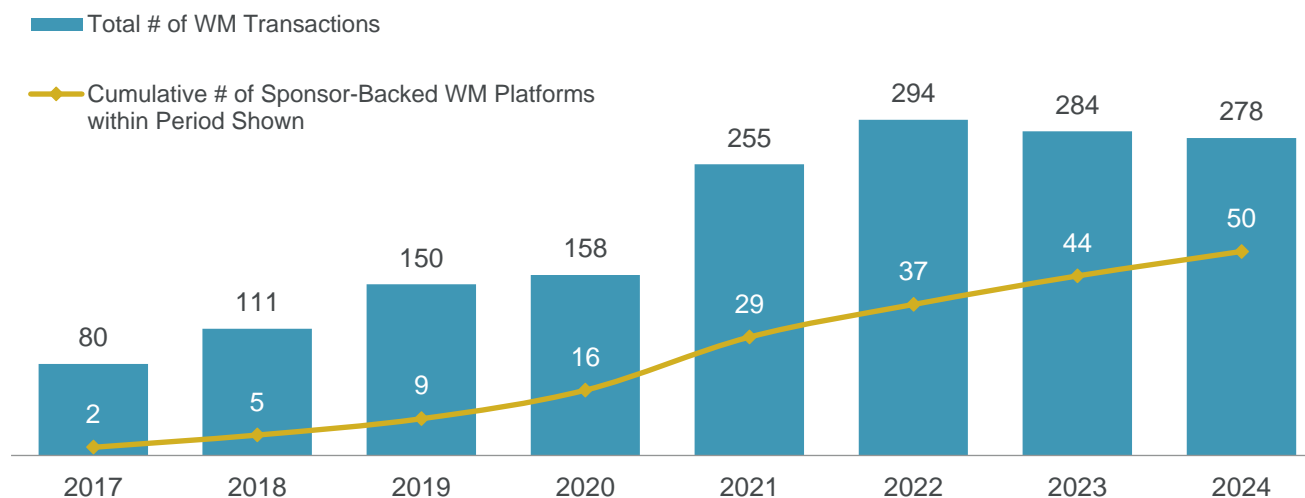
Other

# Sponsor Investments in Wealth Management

**Financial sponsors continue to drive M&A activity and highly competitive pricing, seeking to identify targets with institutional-quality infrastructure, top talent, strong organic growth, and proven M&A execution**

- Sponsors completed 19 investments in wealth managers, up from 13 in 2023
  - 2024 marked the highest number of sponsor majority stake deals since 2021
  - Median AUM per sponsor platform acquisition grew to \$15 billion in 2024, up from \$11 billion in 2023
- U.S. sponsors exited only two wealth management investments, consistent with the 2021-2023 annual average
  - U.S. sponsors have partially or fully exited 15 WM investments since 2019
  - The average hold period for partial exits was four years while the average hold period for full exits was six years
- Private equity buyers acquired controlling stakes in larger wealth managers more frequently in 2024, as 61% of sponsor deals were majority stake, the highest % since 2019
- The cumulative number of sponsor-backed platforms has grown to 50 in 2024, an exponential increase compared to the two sponsor-backed platform investments made in 2017

## Wealth Management Platform Acquisitions by Financial Sponsors



## 2024 Largest Sponsor Acquisitions of Wealth Managers by AUM

(\$Billions)

| Acquirer                                   | Wealth Management Platform | Target Location | AUM/AUA at Acquisition | First-Time Ext. Capital / Recapitalization | Minority / Control |
|--|----------------------------|-----------------|------------------------|--|--------------------|
| TPG  | Creative Planning          | U.S.            | \$ 375                 | Recapitalization                           | Minority           |
| Mubadala                                   | CI Financial (Corient)     | Canada          | 371                    | Recapitalization                           | Control            |
| Advent International and ADIA              | Fisher Investments         | U.S.            | 275                    | First-Time External                        | Minority           |
| Neuberger Berman                           | Mariner Wealth Advisors    | U.S.            | 245                    | Recapitalization                           | Minority           |
| Stone Point Capital                        | Kestra Holdings            | U.S.            | 117                    | Recapitalization                           | Control            |
| KKR & Co.                                  | Janney Montgomery Scott    | U.S.            | 86                     | Recapitalization                           | Control            |
| Allianz X and Constellation Wealth Capital | AITi                       | U.S.            | 69                     | Recapitalization                           | Minority           |
| TA Associates                              | Craigs Investment Partners | New Zealand     | 32                     | Recapitalization                           | Control            |
| Goldman Sachs Asset Management             | Groupe Crystal             | France          | 22                     | First-Time External                        | Control            |
| TPG  | Homrich Berg               | U.S.            | 18                     | First-Time External                        | Minority           |

# Sponsors Remain Confident on the Wealth Management Investment Thesis

Experienced private equity buyers of wealth management targets have shown sustained confidence in the industry's long-term tailwinds and the ability to generate strong IRR on new platform investments

- Among the 19 sponsor investments in wealth management platforms in 2024, a record seven financial sponsors completed their second or higher wealth management platform investment:

- **Lovell Minnick / Americana Partners**
- **TA Associates / Craigs Investment Partners**
- **Stone Point / Kestra**
- **KKR / Janney Montgomery Scott**
- **Charlesbank / Perspective Financial**
- **Neuberger Berman / Mariner Wealth Advisors**
- **TPG Global Advisors / Creative Planning and Homrich Berg**

- Meanwhile, the ratio of sponsor investments completed relative to exiting investments reached an all-time high in 2024, as only four sponsor exits were announced among 19 sponsor platform investments

- An average of six sponsor platform (partial and full) exits per year were announced between 2021-2023, compared to an average of 15 annual sponsor investments in wealth management platforms

## Sponsors with Four or More Wealth Management Platform Investments, All-Time

| Sponsor                 | # of Investments | Select Recent Investments   |
|-------------------------|------------------|---|
| Lovell Minnick Partners | 5                | Americana Partners (2024), London & Capital (2022), Pathstone (2019)                            |
| TA Associates           | 5                | Craigs Investment Partners (2024), Caprock (2021), Fairstone (2021)                             |
| Stone Point Capital     | 4                | Kestra (2024), IEQ Capital (2023), Focus Financial (2017)                                       |
| Genstar Capital         | 4                | Cetera (2023), Cerity Partners (2022), Mercer (2015)  |
| Lightyear Capital       | 4                | Wren Sterling (2021), Allworth Financial (2020), Cerity Partners (formerly HPM Partners) (2018) |

## Lovell Minnick's Fifth Wealth Management Platform Investment, *Americana Partners*



**AMERICANA PARTNERS**  
has received a strategic investment from

**LMP** | LOVELL MINNICK PARTNERS  
Industry Experts. Collaborative Partners.

Piper Sandler served as exclusive financial advisor to Americana Partners

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December 2024

## Publicly Disclosed Transaction Highlights

| 2019<br>Founded | Houston, TX<br>Headquartered | \$8.5B<br>AUM | Oct. 2024<br>Signing | Dec. 2024<br>Closing |
|-----------------|------------------------------|---------------|----------------------|----------------------|
|-----------------|------------------------------|---------------|----------------------|----------------------|

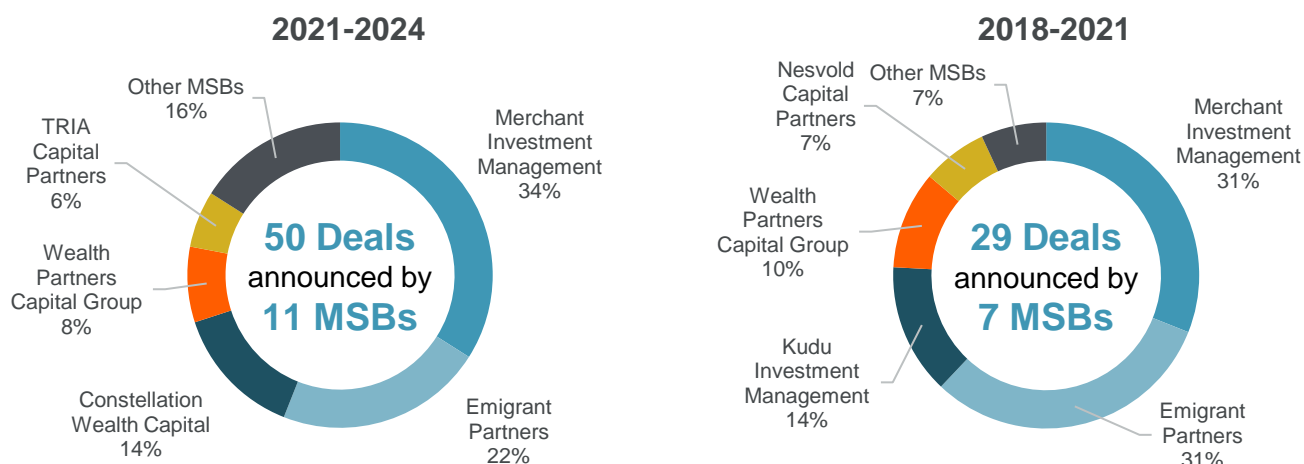
- ✓ LMP brings an extensive track record of accelerating growth for wealth managers to its 5<sup>th</sup> platform investment, Americana Partners
- ✓ Provides Americana access to LMP's deep bench of strategic resources and growth capital, supporting organic and inorganic initiatives including geographic expansion, add-on acquisitions, and advisor recruiting
- ✓ Accelerates institutionalizing Americana's platform to provide best-in-class service offerings to clients and an attractive destination for advisors
- ✓ Represents a strong cultural fit and strategic alignment between stakeholders of Americana and LMP, allowing for minimal disruption to operations and no changes to leadership

# Specialist Minority Stake Buyers Targeting Wealth Managers

In an increasingly competitive wealth management M&A landscape, specialist minority stake buyers are offering flexible investment horizons and delivering strategic value, enabling greater autonomy for management

- Seven unique specialist minority stake buyers (“MSBs”) announced investments in wealth managers in 2024, an all-time high, exceeding the 2020-2023 average of five MSBs making WM investments per year
- 2020 was the first time four or more MSB investors were actively investing in the WM space; the previous average was one per year between 2015-2019
- The number of total specialist minority stake buyers active today in the wealth management space has grown significantly in recent years – the most prominent firms (with year launched) include:
  - **Elevation Point (2024)**
  - **Rise Growth Partners (2023)**
  - **Constellation Wealth Capital (2023)**
  - **Moontower Group (2022)**
  - **TRIA (2020)**
  - **Wealth Partners Capital Group (2017)**
  - **Merchant Investment Mgmt. (2016)**
  - **Kudu Investment Mgmt. (2015)**
  - **Emigrant Partners (2007)**
  - **Rosemont (2000)**

## Top MSBs Investing in Wealth Managers as a % of Total Announced Deals



## 5 Most Active MSBs Investing in Wealth Managers (2021-2024)

|   |   |   |   |   |   |
|---|--|---|---|---|---|
| <b>Year Founded</b>                               | 2016   | 2007  | 2023  | 2017  | 2020  |
| <b>Publicly-Disclosed Investments (2021-2024)</b> | 17   | 11  | 7   | 4   | 3   |
| <b>Headquarters</b>                               | New York, NY   | New York, NY  | Chicago, IL   | Palm Beach, FL  | Austin, TX  |
| <b>Select Recent Investments</b>                  | <br><br> | <br><br> | <br><br> | <br><br> | <br><br> |



# Most Active Acquirers in 2024

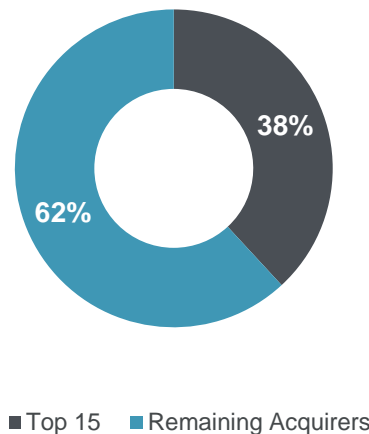
2024 marks the second consecutive year with fewer than five consolidators completing 10 or more deals – highlighting the increased competitiveness in the market

- As more PE-backed platforms target the wealth management space, 28 acquirers announced more than three transactions in 2024, in line with 2023
  - Due to increased competition, acquirers exceeding five acquisitions has dropped for the second year in a row, as nine acquirers completed 5+ acquisitions, a decline from 2022-2023's average of 12
- The top 15 acquirers, out of 119 investors in WM in 2024, accounted for a significant portion of deals (38%)
- Wealth Enhancement Group** (“WEG”) claimed the top spot for total acquisitions with 12 deals, adding \$8.5 billion of AUM
  - 2024 marks WEG’s seventh consecutive year in the top five
  - WEG has acquired \$52.5 billion of AUM throughout these seven years
- Modern Wealth Management** has become increasingly active in the market since partnering with Crestview in 2023, with eight acquisitions in 2024, adding \$3.7 billion of AUM

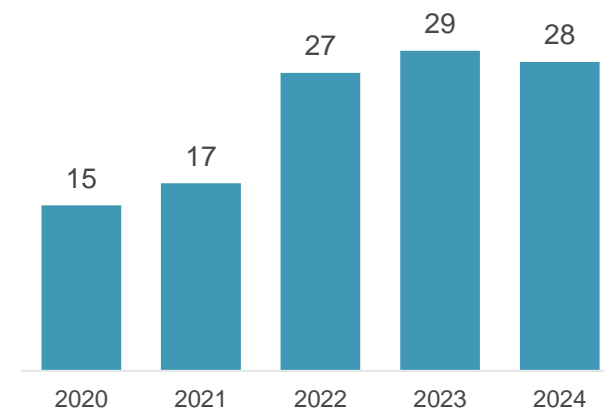
## 2024 Most Active Wealth Management Acquirers by Deal Volume (\$B)<sup>(1)</sup>

| Name                                 | Private Equity Support  | WM Acquisitions | AUM Acquired |
|--------------------------------------|-------------------------|-----------------|--------------|
| Wealth Enhancement Group             | TA Associates, Onex     | 12              | \$ 8.5       |
| MAI Capital Management               | Galway Holdings         | 11              | 5.8          |
| Waverly Advisors                     | WPCG, HGGC              | 10              | 5.7          |
| Modern Wealth Management             | Crestview Partners      | 8               | 3.7          |
| Allworth Financial                   | Lightyear Capital, OTPP | 8               | 5.2          |
| Mercer Global Advisors               | Various                 | 7               | 5.4          |
| Cetera Financial Group               | Genstar Capital         | 7               | 16.6         |
| Beacon Pointe Advisors               | KKR                     | 7               | 3.5          |
| Corient (formerly CI Private Wealth) | Mubadala Capital        | 6               | 19.2         |

## 2024 Top 15 Acquirers % of WM M&A



## Acquirers Making 3+ WM Acquisitions

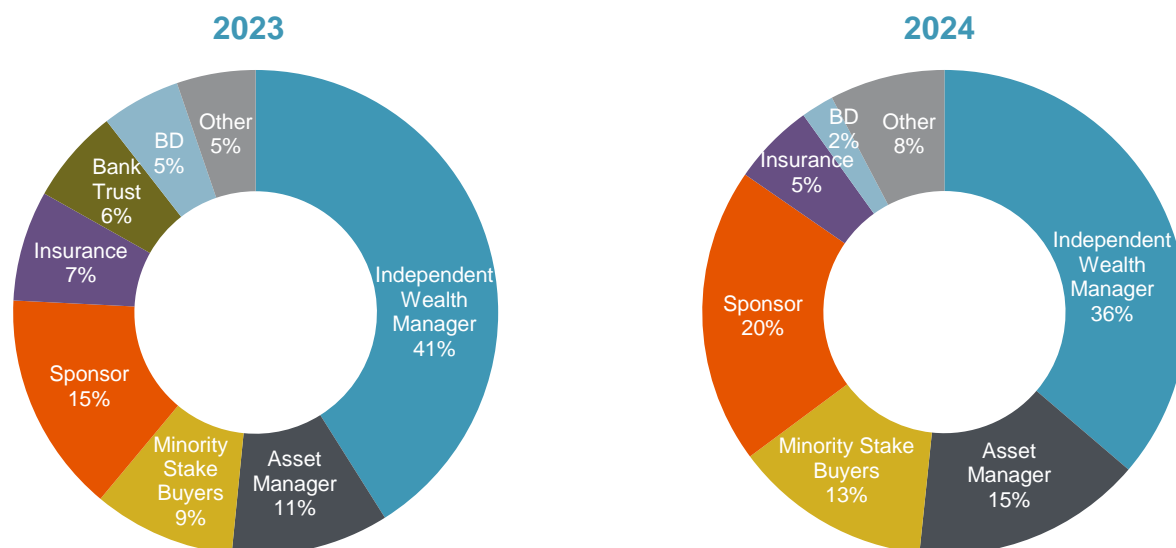


# Strategic Buyers Overview (Excluding PE-Backed Wealth Managers)

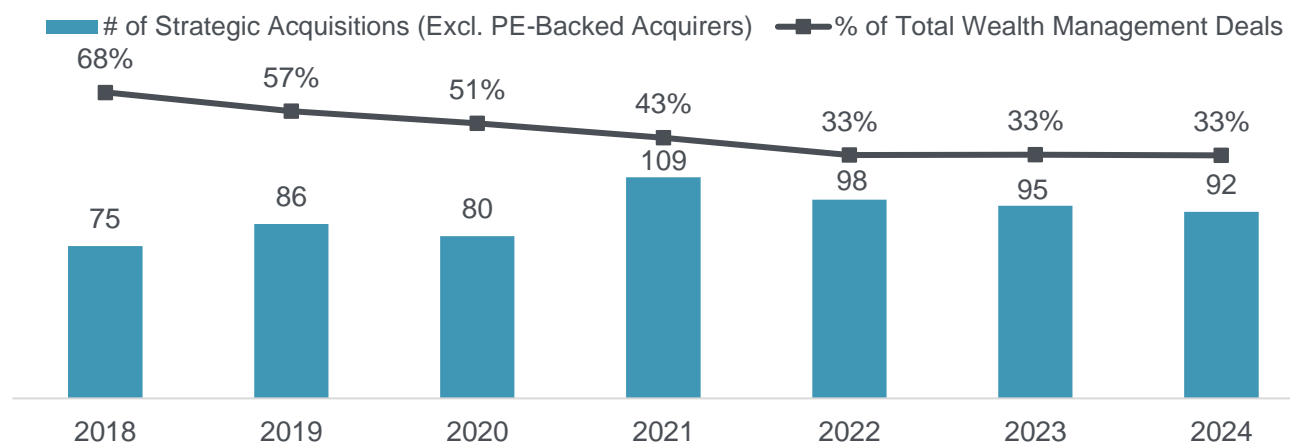
Non-PE-backed buyers remained active in 2024, with 92 total transactions, representing roughly 33% of all wealth management M&A activity

- **Independent WMs:** Independent wealth managers continued to pursue M&A with 33 transactions in 2024 (seven fewer than 2023)
- **Asset Managers:** 2024 saw an uptick in asset managers acquiring wealth managers with 14 transactions the highest since 2021 with many managers acquiring to grow their wealth management subsidiaries
- **Insurance:** Insurers continued to seek access to wealth managers' distribution, with five transactions in 2024, which aligns with the average of six transactions from 2022-2023
- **Broker-Dealers:** Broker-dealers were the least active with only two deals in 2024 compared to five in 2023
  - The most notable transaction being **LPL's** acquisition of **Atria Wealth** representing \$100 billion in transacted AUM
- **Other Buyers:** Sovereign wealth funds made a splash in 2024, acquiring two of the largest platforms that came to market
  - **Mubadala Capital's** \$3.4 billion take private of **CI Financial**
  - **ADIA's** \$3.0 billion minority stake investment in **Fisher Investments**

## Strategic Buyers' Share of Wealth Management M&A (Excl. PE-Backed Acquirers)



## Strategic Buyers Targeting Wealth Managers (Excl. PE-Backed Acquirers)



# Wealth Manager Target Pricing Considerations

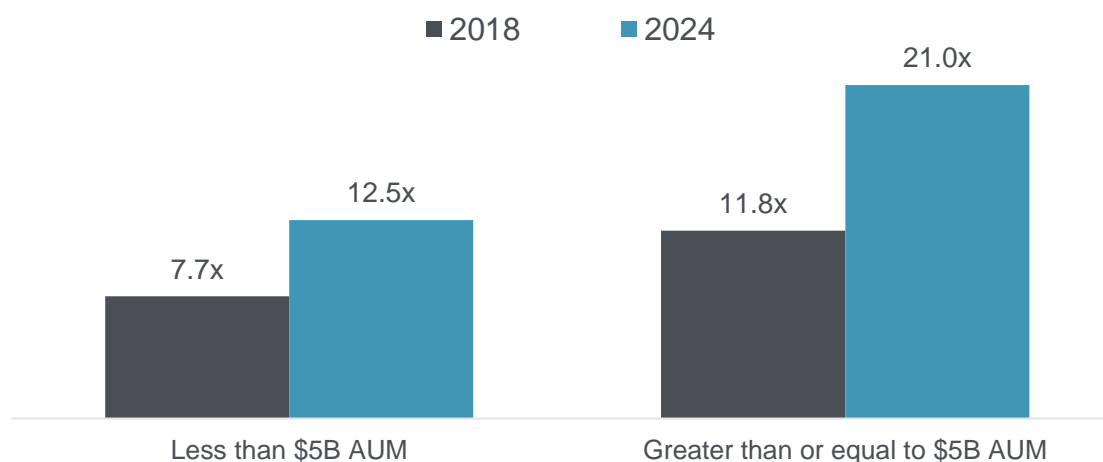
The buyer universe for wealth managers remains robust and continues to grow, driving increased competition in M&A sale processes

- Size, organic growth rate, and track record of inorganic growth are the biggest determinants of the EBITDA multiple buyers will pay for a wealth manager
- Larger managers with a strong track record of inorganic growth are viewed as platforms capable of integrating add-on acquisitions and command the highest EBITDA multiples
- There are 50+ active PE-backed wealth management platforms today, compared to fewer than 10 in 2019, driving significant competition for add-on acquisitions
- The median multiple to purchase smaller wealth managers with less than \$5 billion of AUM has reached double digit multiples, rising from 7.7x run-rate EBITDA in 2018 to 12.5x in 2024
- At-scale RIA platforms rarely trade for sub-20x multiples today, especially those with a proven M&A experience, good and consistent organic growth, and strong management teams

## Indicative Wealth Manager Valuation Ranges by Size & Growth

|      |                |             |                |             |  |
|------|----------------|-------------|----------------|-------------|--|
|      |                | Growth      |                |             |  |
| Size | Multiple Range | 16x+        | Multiple Range | 20x+        |  |
|      | AUM            | \$5B +      | AUM            | \$5B +      |  |
|      | Multiple Range | 13x – 15x   | Multiple Range | 15x+        |  |
|      | AUM            | \$2B - \$5B | AUM            | \$2B - \$5B |  |
|      | Multiple Range | 10x – 12x   | Multiple Range | 12x – 15x   |  |
|      | AUM            | < \$2B      | AUM            | < \$2B      |  |

## Median EBITDA Multiple Paid for Wealth Managers

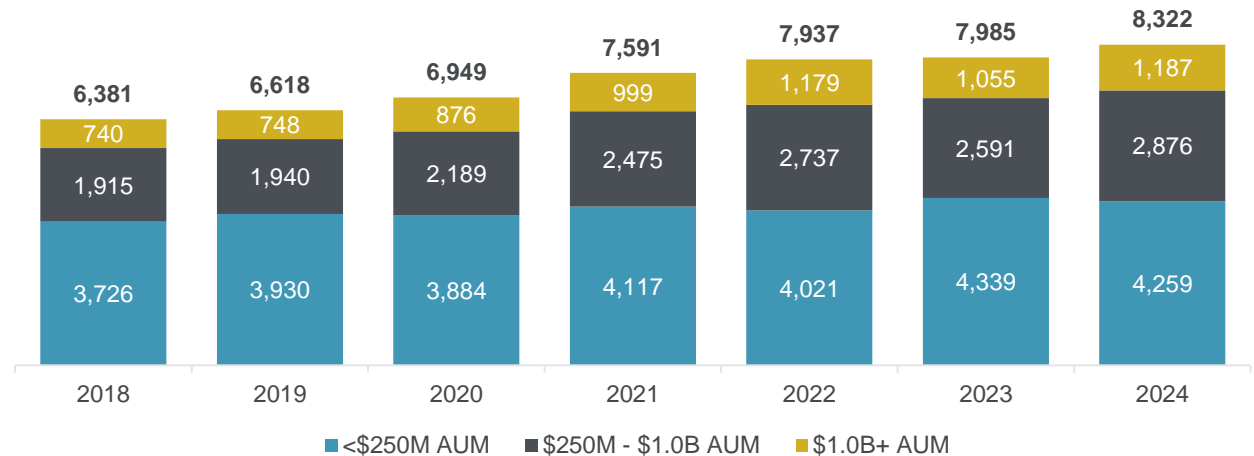


# Is Wealth Management Still in the “Early Innings” Despite Sustained Deal Activity?

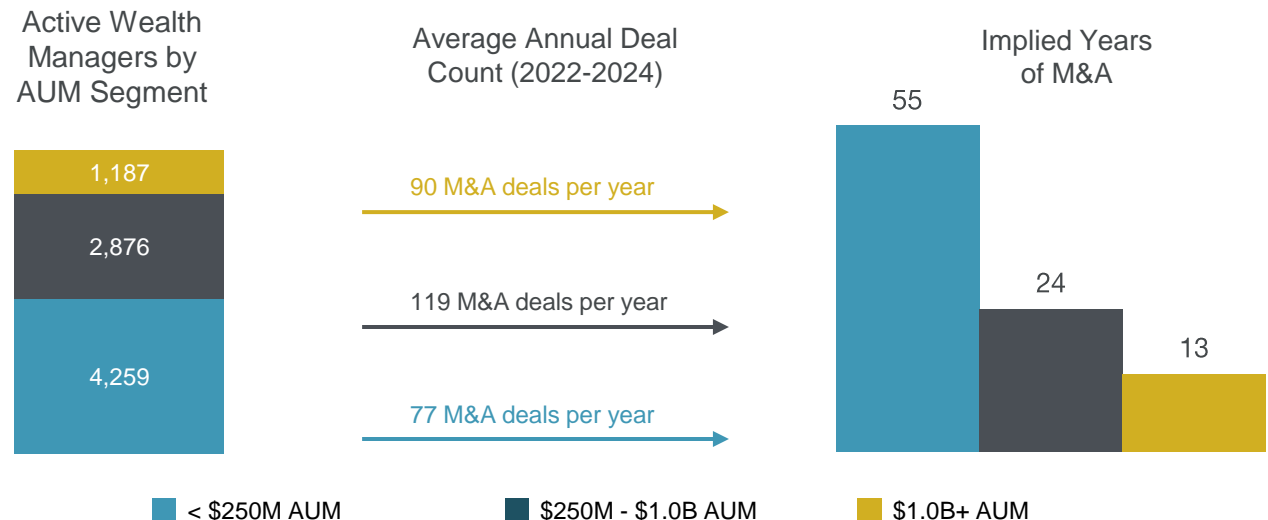
The rapid pace of new RIAs being launched and trillions of assets set to transfer from wirehouses to the independent channel over the coming decade suggest that M&A activity within the RIA industry has only just begun

- The market for wealth management in the U.S. is \$27+ trillion of total assets, with \$17+ trillion of assets across RIAs and independent broker-dealers, and \$10+ trillion at wirehouses
  - The largest 100 RIAs comprise approximately \$3 trillion of AUM or ~10% of the wealth management market in the U.S.
- There are approximately 8,000 SEC-registered RIAs today focused on private wealth management, i.e. those that provide holistic financial advisory services directly to individuals and families
- Approximately 700 new RIA firms are founded each year, with 1,600 advisors joining the RIA channel
  - M&A activity in the wealth management industry has averaged <300 deals per year since record highs in 2022, implying significant consolidation and decades of M&A activity to come

## SEC-Registered Wealth Managers



## Pace of M&A Relative to Existing RIAs Implies Decades of Continuing Consolidation



Source: Piper Sandler, Cerulli Associates

Note: “SEC-Registered Wealth Manager” based on assumption of RIA ADV with Discretionary AUM >50% of total assets and Individuals/HNWI client assets as >50% of total assets

A background image showing a business meeting. In the foreground, a person's hand holds a pen over a tablet displaying a line chart. Another person's hand points at the tablet. In the background, a person's hand is visible near a laptop and a document with a bar chart. The scene is set in a bright office with large windows.

## III. Alternative Asset Management



# Alternative Asset Management Overview

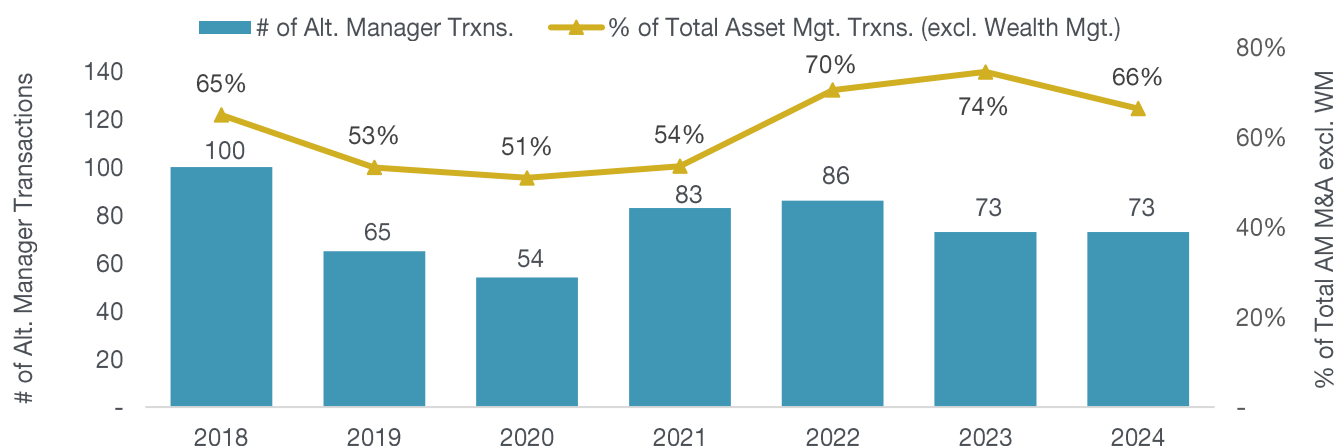
**Alternative asset management transaction activity in 2024 remained consistent with recent years, though with a noticeable shift toward larger strategic deals**

- 2024 represented another active year for alternative asset management M&A, despite continued challenges in GP fundraising
- Acquirers continued to demonstrate broad interest in private markets, with a more tailored preference for certain asset classes and distribution profiles vs. a blanket desire to buy into alternatives
- 73 alternative asset management transactions occurred in 2024, consistent with the 73 transactions in 2023, and broadly in line with recent years
- Alternative asset management represented a smaller percentage of total transactions across the broader asset management space (excluding wealth management) in 2024 compared to 2023, as traditional manager consolidation activity accelerated
- As existing alternatives platforms looked to scale in the face of allocators and consultants trimming the number of GP relationships they maintain, large strategic activity was a significant hallmark of 2024

## 2024 Alternative Asset Management Transactions by the Numbers

|                                 | 2024           | vs. 2023 | vs. L5Y |
|---------------------------------|----------------|----------|---------|
| Alternative Asset Manager Sales | 73             | -        | ↑       |
| Aggregate Disclosed Deal Value  | \$37.8 billion | ↑        | ↑       |
| Aggregate AUM Transacted        | \$0.8 trillion | ↓        | ↑       |
| Minority Stake Transactions     | 36             | ↑        | ↑       |
| Initial Public Offerings        | 1              | ↑        | ↓       |
| Cross-Border Transactions       | 35             | ↓        | ↑       |
| Median EV / EBITDA Multiple     | 19.9x          | ↑        | ↑       |

## Number of Alternative Manager Transactions

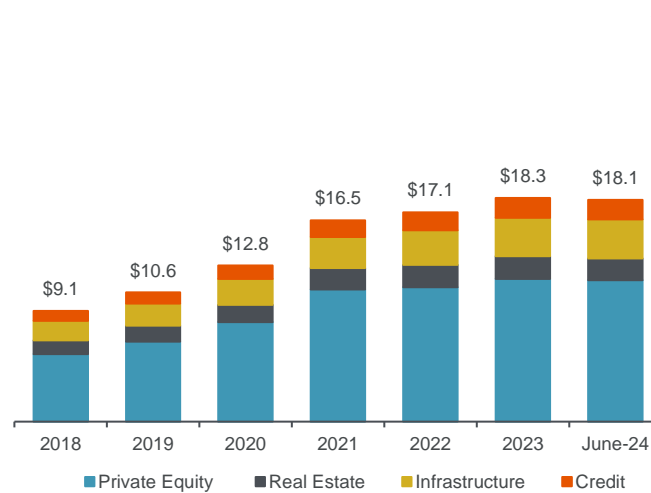


# Private Markets Fundraising Environment

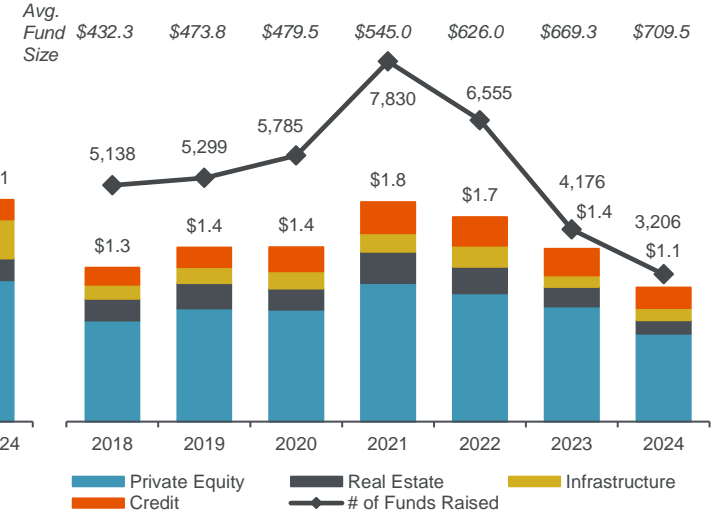
Following a record-high in fundraising in 2021, private markets have faced increasing investor selectivity, leading to a contraction in fundraising for the third consecutive year creating advantages for scaled platforms

- Fundraising headwinds persisted throughout 2024 in the face of macroeconomic and political uncertainty in addition to slower than expected LP distributions
- The size of the average alternative investment fundraise increased by more than 5% year-over-year, continuing the trend toward larger platforms and fundraises
- Fundraises above \$1.0 billion continued to steal market share from smaller funds, though \$5.0+ billion mega fund activity declined following a record-high 2023 that will likely carry through the next few years
- While fundraises in the \$500 million – \$1.0 billion range maintained share, smaller fundraises became increasingly challenged
- Average Time on the Road once again increased in 2024, primarily attributable to smaller fund challenges

## Total Private Markets AUM (\$T)



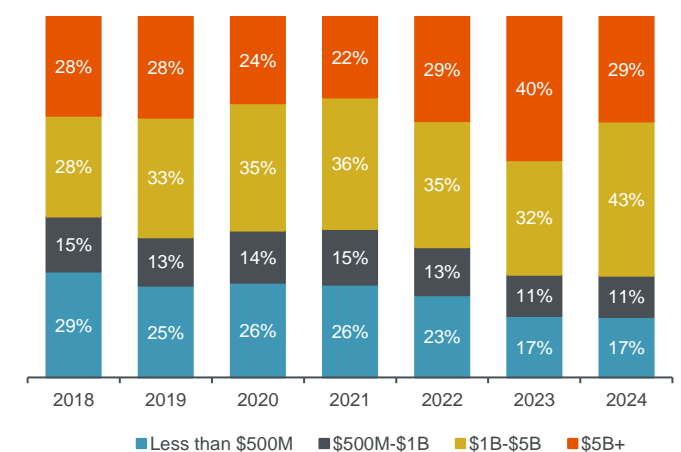
## Private Markets Fundraising (\$T)



## Average Fundraising Time on the Road<sup>(1)</sup>



## Fundraising Activity by Fund Size<sup>(2)</sup>



Source: Piper Sandler, Preqin

Note: Data as of December 2024 for all quadrants but total AUM, which is as of June 2024

1) May utilize estimated launch date for funds that lacked press releases

2) Based on number of funds raised

# Private Markets Fundraising Environment (Cont'd)

Despite headwinds, large-scale fundraising in 2024 exhibited a number of \$10+ billion final fund closings representing significant increases from predecessor funds

- 2024 was a busy year for large fundraises, with \$1.0 billion+ fundraises accounting for over 70% of total private market fundraising, in line with 2023 but well above historical averages
- While 2023 saw more mega fundraises come to market, 2024 did see several marquee raises in excess of \$20 billion, notably in U.S. tech buyout strategies
- Despite decreased aggregate fundraising, blue chip fundraises were highly successful, with 63% growth on average over their predecessor funds
- Diversified buyout private equity continues to be the most represented strategy for mega funds, though with tech-focused buyout funds increasing their market presence
- Ongoing mega fundraises into 2025 look promising, with several funds targeting over \$15 billion
- Funds in market appear to have a heavier emphasis on infrastructure and real assets, as investors begin to take a more positive view on the space

## Largest Fund Final Closings of 2024

| Fund                                | First Close Date | Final Close Date | GP                    | Asset Class    | Strategy       | Sector Focus | Geography     | Close Size (\$B) | % Growth | Predecessor Vintage |
|-------------------------------------|------------------|------------------|-----------------------|----------------|----------------|--------------|---------------|------------------|----------|---------------------|
| EQT X                               | Aug-22           | Feb-24           | EQT                   | Private Equity | Buyout         | Diversified  | Europe        | \$ 23.8          | 30.2%    | 2020                |
| Silver Lake Partners VII            | May-22           | May-24           | Silver Lake           | Private Equity | Buyout         | Technology   | North America | 20.5             | 2.5%     | 2020                |
| Vista Equity Partners Fund VIII     | Jun-22           | Apr-24           | Vista Equity Partners | Private Equity | Buyout         | Technology   | North America | 20.0             | 16.6%    | 2019                |
| New Mountain Partners VII           | Apr-23           | Jul-24           | New Mountain Partners | Private Equity | Buyout         | Diversified  | North America | 15.4             | 71.1%    | 2020                |
| Ares Senior Direct Lending Fund III | Jul-23           | Jul-24           | Ares                  | Credit         | Direct Lending | Diversified  | North America | 15.3             | 91.3%    | 2021                |
| Dover Street XI                     | May-23           | Aug-24           | HarbourVest           | Private Equity | Secondaries    | Diversified  | North America | 15.1             | 86.4%    | 2020                |
| Cinven VIII                         | Aug-22           | Jan-24           | Cinven                | Private Equity | Buyout         | Diversified  | Europe        | 14.5             | 29.7%    | 2020                |
| ICG Senior Debt Partners Fund 5     | Dec-23           | Sep-24           | ICG                   | Credit         | Direct Lending | Diversified  | Europe        | 14.5             | 58.2%    | 2020                |
| BDT Capital Partners Fund IV        | Mar-22           | Jan-24           | BDT & MSD Partners    | Private Equity | Buyout         | Diversified  | North America | 14.0             | 54.0%    | 2019                |
| West Street Loan Partners V         | Feb-23           | May-24           | Goldman Sachs         | Credit         | Direct Lending | Diversified  | North America | 13.1             | 194.7%   | 2020                |
| Median:                             |                  |                  |                       |                |                |              |               | 15.2             | 56.1%    |                     |

## Largest Funds in Market as of Year End 2024

| Fund   | GP                              | Asset Class    | Strategy       | Sector Focus       | Geography     | Target Size (\$B) | % Growth |
|--|---------------------------------|----------------|----------------|--------------------|---------------|-------------------|----------|
| ALTERRA Acceleration   | Lunate                          | Infrastructure | Infrastructure | Energy             | North America | \$ 25.0           | NA       |
| Thoma Bravo Fund XVI   | Thoma Bravo                     | Private Equity | Buyout         | Technology         | North America | 20.0              | (17.7%)  |
| Asian Institutional Investor Alliance Global Investment Fund | China Minsheng Investment Group | Private Equity | Buyout         | Diversified        | Asia          | 15.0              | NA       |
| Veritas Capital Fund IX                                      | Veritas Capital                 | Private Equity | Buyout         | Technology         | North America | 13.3              | 24.9%    |
| Baring Asia Private Equity Fund IX                           | EQT                             | Private Equity | Buyout         | Diversified        | Asia          | 12.5              | 11.6%    |
| Insight Partners Fund XIII Growth Buyout Fund                | Insight Partners                | Private Equity | Buyout         | Diversified        | North America | 12.5              | (27.5%)  |
| Direct Lending Fund V  | Arcmont Asset Management        | Credit         | Direct Lending | Diversified        | Europe        | 12.3              | 23.4%    |
| India Grade A Office Fund                                    | Integrow Asset Management       | Real Estate    | Real Estate    | Office             | Asia          | 9.6               | NA       |
| Trident X  | Stone Point Capital             | Private Equity | Buyout         | Financial Services | North America | 9.0               | (1.0%)   |
| Carlyle Europe Partners VI                                   | Carlyle Group                   | Private Equity | Buyout         | Diversified        | Europe        | 8.0               | 25.5%    |
| Median:  |                                 |                |                |                    |               | 12.5              | 11.6%    |

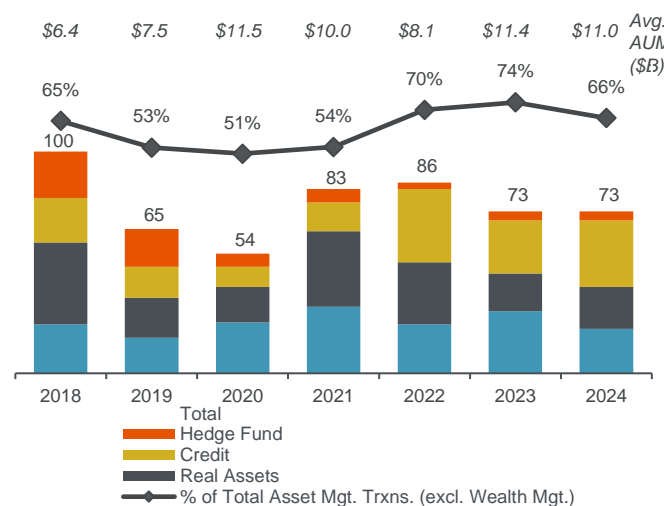
Source: Piper Sandler, Preqin

# Alternative Asset Management Transactions Overview

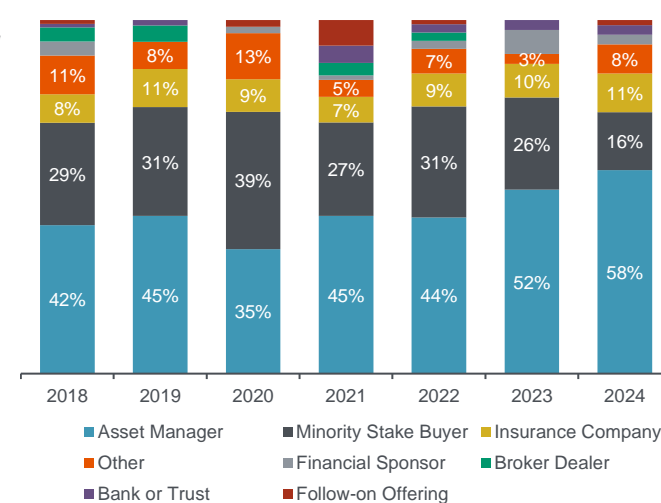
2024 was another healthy year of M&A for alternative asset managers, in line with historical averages, though down from 2021 and 2022

- There were 73 alternative asset manager transactions in 2024, consistent with last year's total and historical averages
- The average AUM of alternative asset manager deals continued its upward trend, as the industry continued to migrate from buying and building smaller platforms toward larger transactions that provide immediate scale to buyers
  - Acquisitions of alternative asset managers with over \$10.0 billion in AUM represented more than 25% of deal activity, consistent with 30% in 2023
- Asset managers, led by private equity- and credit-oriented firms, represented the largest proportion of alternative asset manager buyers, as such companies sought greater strategy diversification and distribution reach
- Traditional managers, historically very active acquirers of alternative asset managers, took a step back relative to alternative asset managers

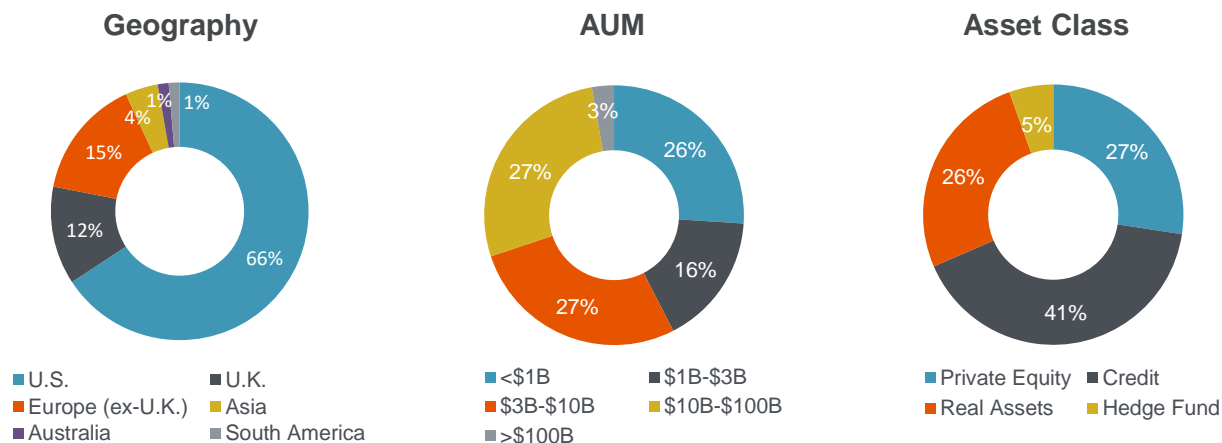
## Total Private Markets Transaction Count



## Buyer Categories by Deal Count<sup>(1)</sup>



## Seller Overview by Deal Count

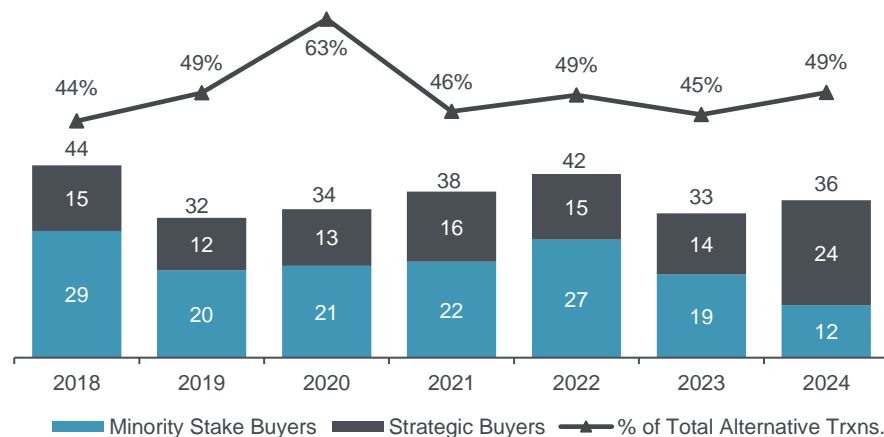


# Minority Stake Transactions Overview

2024 represented a slight bounce-back year for minority stake M&A transactions involving an alternative asset manager target, which have followed a relatively flat trend since 2018

- 36 minority stake transactions were completed in 2024, an increase over the 33 deals done in 2023, but largely in line with historical averages
- Strategic buyers became much more active in minority stake deals, with asset managers and insurers looking to gain access to desired strategies without acquiring a controlling stake
- Conversely, minority stake buyers only completed 12 deals in 2024, representing the lowest in recent history and reflecting a willingness to take more structured approaches via preferred equity and revenue shares
- Minority stake buyers have increasingly participated in monetization events for existing stakes, including strip sales, IPOs, and full exits

## Minority Stake Transactions by Deal Count

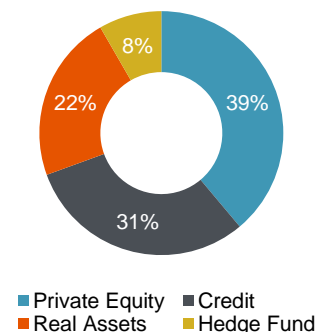


## 5 Most Active Minority Stake Buyers (2021-2024)

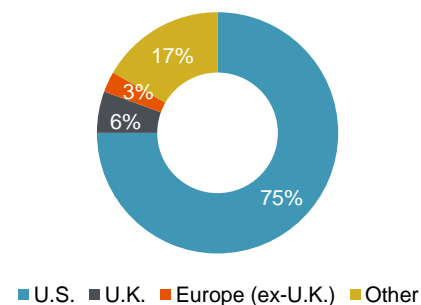
|  | BONACCORD<br>CAPITAL PARTNERS | KUDU<br>INVESTMENT<br>MANAGEMENT | HUNTER<br>POINT<br>CAPITAL | BLUE OWL       | Petershill<br>Partners |
|--|-------------------------------|----------------------------------|----------------------------|----------------|------------------------|
| Year Founded                               | 2017                          | 2015                             | 2020                       | 2011           | 2016                   |
| Publicly-Disclosed Investments (2021-2024) | 8                             | 8                                | 7                          | 6              | 6                      |
| 2024 Investments                           | 1                             | 1                                | 1                          | 1              | 2                      |
| Headquarters                               | New York, N.Y.                | New York, N.Y.                   | New York, N.Y.             | New York, N.Y. | London, U.K.           |
| Select Recent Investments                  | <br><br>                      | <br><br>                         | <br><br>                   | <br><br>       | <br><br>               |

## Seller Overview by Deal Count

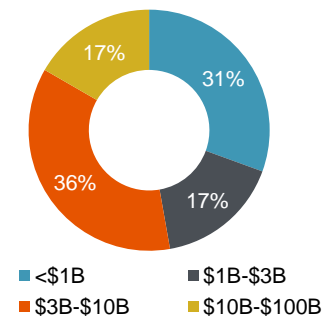
### Asset Class



### Geography



### AUM



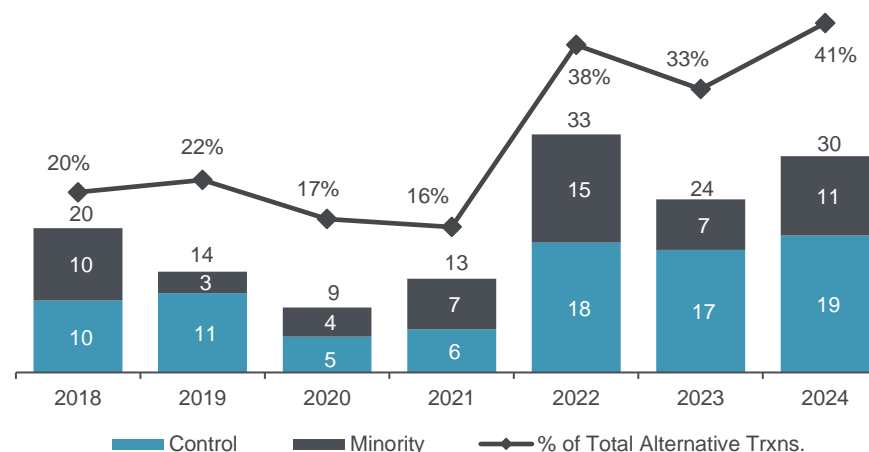


# Alternative Credit Transactions Overview

Alternative credit activity remained elevated, as investors continued to flock to the asset class and acquirers sought to seize the growth of the massive addressable market opportunity

- 30 alternative credit transactions occurred in 2024, up from 24 deals in 2023, representing a 25% year-over-year increase and 41% of 2024 alternative M&A activity
- Alternative asset managers overwhelmingly represented the largest proportion of buyers of alternative credit managers in 2024, accounting for 65% of the deal volume
- Geographically, the majority of sellers were based in the U.S., while the U.K. represented the second most active seller geography, accounting for 19% of alternative credit manager transactions
- Funds with less than \$1.5 billion of AUM represented 35% of alternative credit transactions and were the most frequent in 2024, with larger deals of \$10.0 billion+ a close second at 32%
- The most significant alternative credit transaction to occur in 2024 was **BlackRock's \$12.5 billion acquisition of HPS**, on the heels of its \$12.0 billion acquisition of **Global Infrastructure Partners** earlier in the year

## Alternative Credit M&A Volume by Deal Count

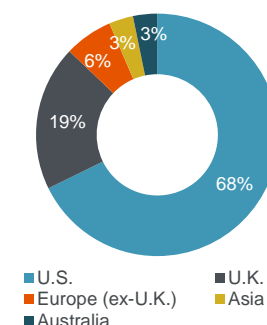


## 2024 Largest Transactions

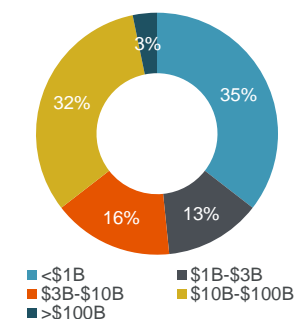
| Annc. Date | Target                | Strategy         | Geography | Acquirer            | Transacted AUM (\$B) | Control / Minority |
|------------|-----------------------|------------------|-----------|---------------------|----------------------|--------------------|
| Dec-24     | HPS                   | Direct Lending   | U.S.      | BlackRock           | \$ 148.0             | Control            |
| Jul-24     | Hayfin Capital        | Direct Lending   | U.K.      | Management Buyout   | 33.6                 | Control            |
| Mar-24     | Canyon Partners       | Diversified      | U.S.      | Dai-ichi Life       | 24.4                 | Minority           |
| May-24     | Castlelake            | Asset-based      | U.S.      | Brookfield          | 22.0                 | Control            |
| Apr-24     | Kuvare                | Investment Grade | U.S.      | Blue Owl            | 20.0                 | Control            |
| Oct-24     | Monroe Capital        | Direct Lending   | U.S.      | Wendel Group        | 19.5                 | Control            |
| Apr-24     | Kennedy Lewis         | Direct Lending   | U.S.      | Petershill Partners | 14.0                 | Minority           |
| Dec-24     | Silver Rock Financial | Diversified      | U.S.      | Mubadala            | 10.0                 | Minority           |
| Jul-24     | Atalaya Capital       | Asset-based      | U.S.      | Blue Owl            | 10.0                 | Control            |
| Jul-24     | Rivage Investment     | Direct Lending   | FR        | AXA IM Prime        | 8.3                  | Minority           |

## Seller Overview by Deal Count

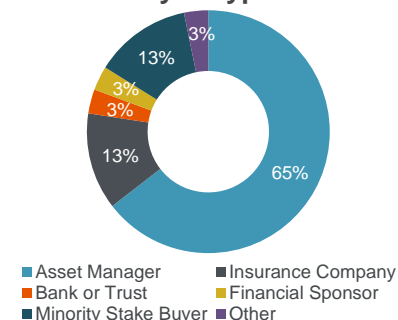
### Geography



### AUM



### Buyer Type

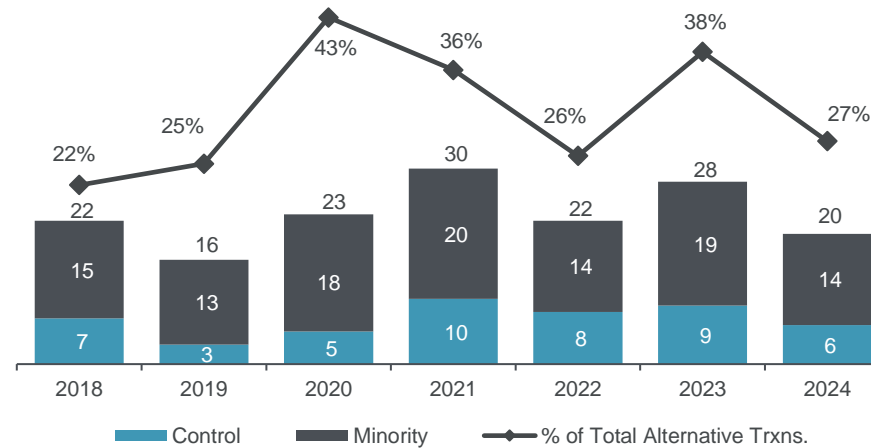


# Private Equity Transactions Overview

Private equity M&A activity decreased meaningfully in 2024, as secular fundraising headwinds persisted for smaller managers

- 20 private equity transactions occurred in 2024, down from 28 transactions in 2023, representing a decline of more than 29% year-over-year, in spite of being the largest and most diverse universe of potential targets
- Private equity's share of alternative M&A decreased alongside deal count, to only 27% of activity
- The decline in activity represented secular fundraising headwinds, overlap with most strategies already offered by larger acquirers, and a lack of larger targets available for sale
- Minority stake transactions continued their trend as being the preferred liquidity option vs full sales, with the year's largest transactions primarily for minority stakes
- Managers with \$1.0 billion – \$10.0 billion of AUM represented 64% of all private equity transactions, with buyers preferring acquisitions that can provide immediate scale
- **Pinegrove's** acquisition of **SVB Capital** represented the largest control deal by AUM in 2024, accounting for more than \$10.0 billion of transacted AUM

## Private Equity M&A Volume by Deal Count

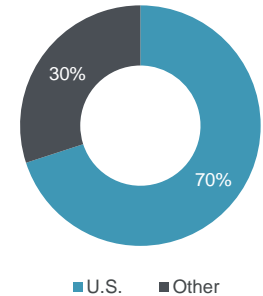


## 2024 Largest Transactions

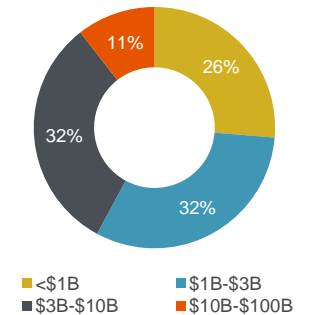
| Annc. Date | Target             | Strategy        | Geography | Acquirer             | Transacted AUM (\$B) | Control / Minority |
|------------|--------------------|-----------------|-----------|----------------------|----------------------|--------------------|
| May-24     | SVB Capital        | Venture Capital | U.S.      | Pinegrove Capital    | \$ 10.0              | Control            |
| Apr-24     | Fairview Capital   | Venture Capital | U.S.      | New York Life        | 10.0                 | Minority           |
| Feb-24     | Alpha Associates   | Diversified     | SWI       | Amundi Group         | 9.2                  | Control            |
| May-24     | Linden Capital     | Healthcare      | U.S.      | Blue Owl             | 8.0                  | Minority           |
| Feb-24     | Banner Ridge       | Secondaries     | U.S.      | The Investcorp Group | 7.3                  | Minority           |
| Apr-24     | Lead Edge Capital  | Growth Equity   | U.S.      | Bonaccord Capital    | 5.0                  | Minority           |
| Dec-24     | Andera Partners    | Growth Equity   | FR        | New York Life        | 4.5                  | Minority           |
| Jan-24     | Bow River Advisers | Diversified     | U.S.      | New York Life        | 3.3                  | Minority           |
| Apr-24     | W Capital Mgmt.    | Secondaries     | U.S.      | AXA                  | 1.9                  | Minority           |
| Mar-24     | Cordillera         | Buyout          | U.S.      | GQG Partners         | 1.6                  | Minority           |

## Seller Overview by Deal Count

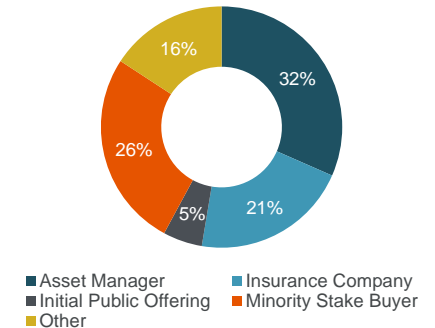
### Geography



### AUM



### Buyer Type

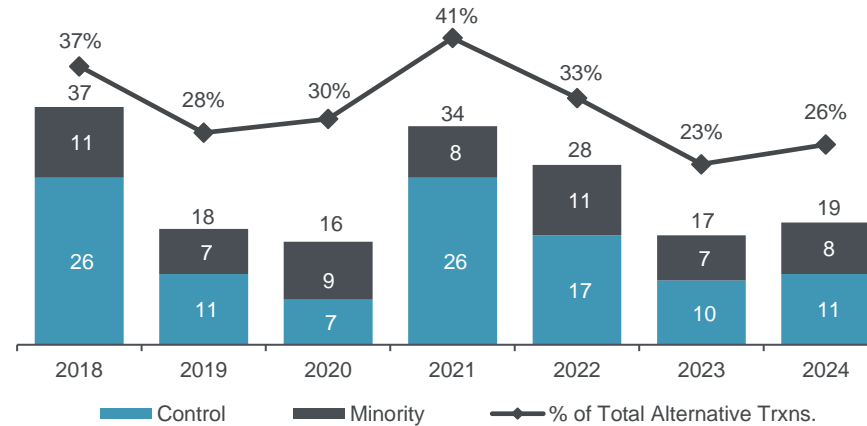


# Real Assets Transactions Overview

Real assets M&A volume increased in 2024, as investors started to take a more optimistic view on the asset class. Activity still remained well short of the levels observed in 2021 and 2022

- 19 real estate and infrastructure manager transactions occurred in 2024, a slight increase from 17 transactions in 2023 as investors cautiously started to reconsider M&A in the space
- With continued macroeconomic uncertainty around commercial real estate values and sustainable infrastructure investments in the U.S., and long-term impairments to commercial real estate, fundraising and growth have been the most challenging for this asset class
- Larger real assets managers were most popular in 2024, with certain forward-looking buyers wishing to step into immediate scale in the space with experienced players well-positioned to seize on future growth
  - Funds between \$10.0 billion – \$100 billion of AUM represented 42% of real asset transactions
- The most significant real asset transaction to occur in 2024 was **BlackRock's \$12.5 billion acquisition of Global Infrastructure Partners** which resulted in \$100+ billion of transacted AUM

## Real Assets M&A Volume by Deal Count

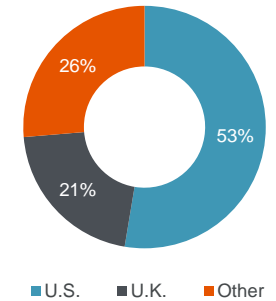


## 2024 Largest Transactions

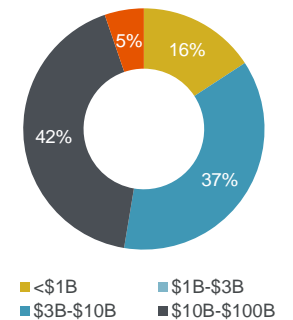
| Annc. Date | Target                 | Strategy              | Geography | Acquirer             | Transacted AUM (\$B) | Control / Minority |
|------------|------------------------|-----------------------|-----------|----------------------|----------------------|--------------------|
| Jan-24     | Global Infra. Partners | Infrastructure Equity | U.S.      | BlackRock            | \$ 106.0             | Control            |
| Feb-24     | Pretium Partners       | Real Estate           | U.S.      | Hunter Point Capital | 50.0                 | Minority           |
| Oct-24     | GLP Capital Partners   | Logistics and Infra.  | SG        | Ares                 | 44.0                 | Control            |
| Apr-24     | Townsend               | Real Assets Advisory  | U.S.      | Riverside Company    | 21.5                 | Control            |
| May-24     | Amber Infra. Group     | Infrastructure        | U.K.      | Boyd Watterson       | 17.5                 | Control            |
| Jan-24     | Aquila Capital         | Infrastructure        | GY        | Commerzbank          | 15.4                 | Control            |
| Dec-24     | Empira Group           | Real Estate Credit    | CH        | Partners Group       | 14.7                 | Control            |
| Jan-24     | Actis                  | Infrastructure Equity | U.K.      | General Atlantic     | 12.5                 | Control            |
| Oct-24     | IPI Partners           | Data Centers          | U.S.      | Blue Owl             | 10.5                 | Control            |
| Apr-24     | Prima Capital          | Real Estate Credit    | U.S.      | Blue Owl             | 9.5                  | Control            |

## Seller Overview by Deal Count

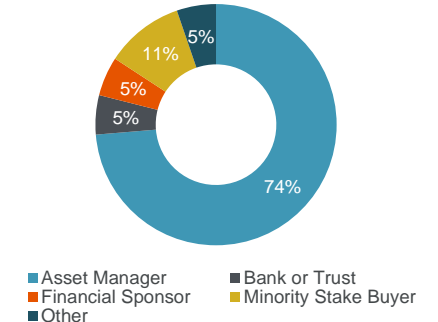
### Geography



### AUM



### Buyer Type



# Alternatives Manager Market Pricing

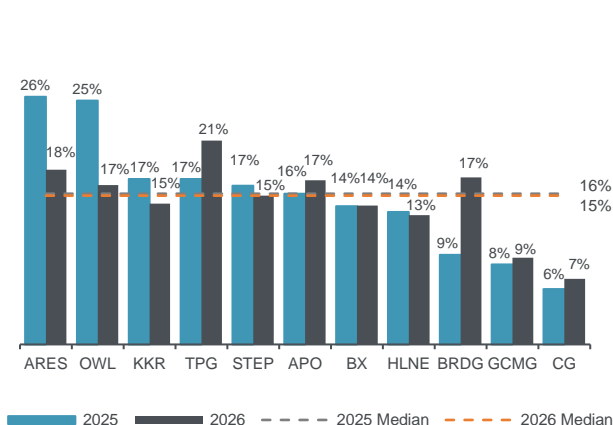
Core fundamental business growth supported strength in pricing, evident in both the public markets and M&A valuations

- Publicly-traded alternative asset managers maintained their strong performance relative to broader equity markets, with U.S.-based peers rising north of 50% in 2024, more than 2x the return of the S&P 500
- Public alternative managers in Europe had more muted performance returning ~22% in 2024 vs. ~10% for the FTSE index
- Returns were not uniform across the public alternative manager peer set, with credit-heavy managers experiencing stronger performance relative to real estate and private equity-focused managers
- Public markets continued to favor asset management models with an emphasis on fee related earnings growth from strong fundraising results
- Deal valuation multiples were widely dispersed in 2024, ranging from 10x – 15x for smaller mono-lined managers to 25x+ for best-in-class, at-scale diversified platforms
- Notably in 2024, **BlackRock's** two transactions that constituted the largest deals of the year garnered FRE multiples of 27x and 30x (including earnout consideration)

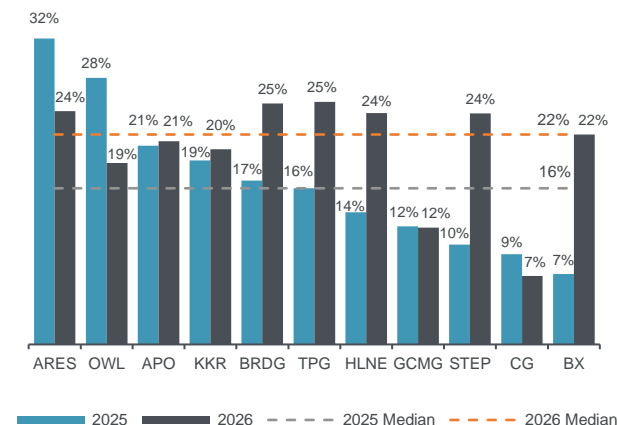
## Public Market Indexed Pricing



## Consensus Fee-Paying AUM Growth



## Consensus Fee-Related Earnings Growth





Source: Piper Sandler, FactSet

Note: Pricing data as of 12/31/24. PSC composites are market-weighted, non-investable indices that seek to reflect the performance of traditional and alternative publicly-traded asset management companies in the U.S. and Europe. The composites were developed by Piper Sandler. Performance is based on dividend-adjusted returns

# Case Study: BlackRock's Expansion in the Alternative Space via M&A in 2024

As its market share in traditional strategies begins to level, BlackRock has looked to revitalize its growth trajectory through the inorganic buildout of a massive alternatives platform



## Acquisition of Global Infrastructure Partners

| Acquirer / Target              |   |
|--------------------------------|---|
| Announcement Date              | January 2024  |
| AUM                            | \$100+ billion  |
| P/ FRE Multiple <sup>(1)</sup> | 27.0x (incl. earn-out)  |
| Transaction Consideration      | \$12.5 billion  |

### Strategic Rationale

- Expansion of alternative asset management capabilities, with a specific focus on enhancing infrastructure investment offerings
- Acquisition created a world-leading infrastructure private markets manager with over \$150 billion in pro-forma client assets
- Tripled BlackRock's existing base of infrastructure client assets; combined platform will be able to leverage GIP's global scale and long-term infrastructure-specific track record to drive further growth

## Announced Acquisition of HPS Investment Partners

| Acquirer / Target         |   |
|---------------------------|---|
| Announcement Date         | December 2024   |
| AUM                       | \$148 billion   |
| P/ FRE Multiple           | ~30.0x (incl. earn-out)   |
| Transaction Consideration | ~\$12.0 billion   |

### Strategic Rationale

- Expansion of alternative asset management capabilities, with a specific focus on enhancing credit investment offering
- Transaction established a top-five private credit manager with enhanced ability to serve clients via origination and capital formation platform scale
- Acquisition strengthened BlackRock's private markets capabilities by creating significant source of predictable fee income

Source: Piper Sandler, company investor presentations

Note: P/ FRE multiples utilized at time of announcement

1) Midpoint of implied FRE multiple provided via merger presentation





## IV. Traditional Asset Management

# Traditional Asset Management Overview

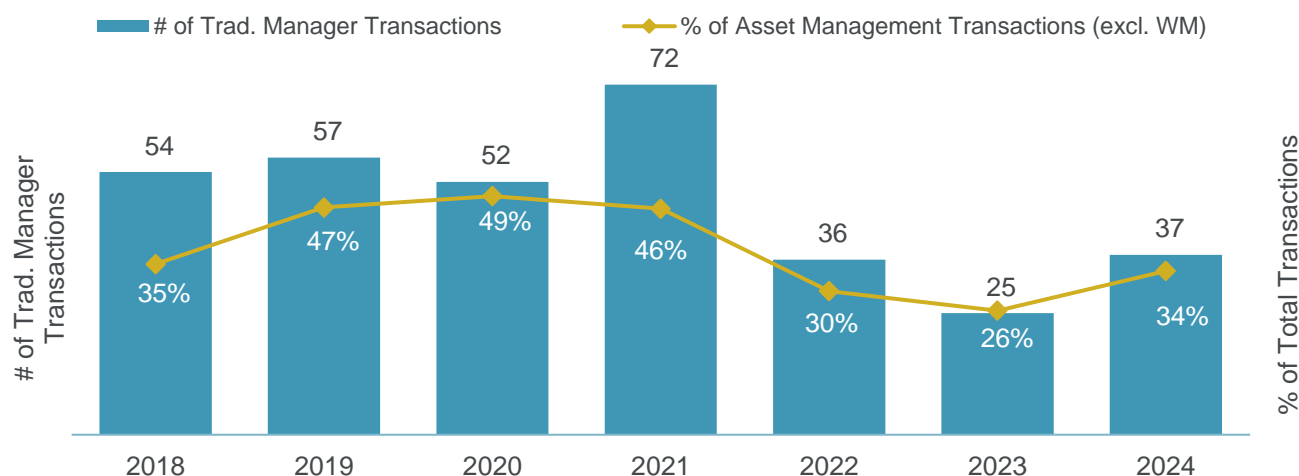
While still below historical levels, traditional asset management deal activity experienced a slight resurgence in 2024, marked by increasing consolidation focusing on scale and strategic investments aimed at navigating ongoing industry headwinds

- 2024 represented a moderate rebound year for traditional asset management M&A
  - 37 traditional asset management transactions in 2024, representing a 48% increase over the 25 transactions in 2023
- Consolidation continued to be driven by a need to scale, as organic growth challenges weighed on managers
  - Active ETFs and mutual funds experienced net outflows for the third consecutive year as investors continued to surge into passive retail funds
- The fundamental challenges facing the traditional managers led to several large transactions in 2024, most notably **BNP Paribas** acquiring **AXA Investment Managers**, driving average target AUM materially higher to \$42 billion, compared to \$15 billion in 2023
- Even in larger transactions where adding scale is a key factor, acquirers remained highly selective, emphasizing strategic fit, particularly around finding incremental distribution channels and differentiated investment capabilities

## 2024 Traditional Asset Management Transactions by the Numbers

|   | 2024           | vs. 2023 | vs. L5Y |
|---|----------------|----------|---------|
| Number of Transactions                    | 37             | ↑        | ↓       |
| Aggregate Disclosed Deal Value            | \$16.3 billion | ↑        | ↑       |
| Aggregate AUM Transacted                  | \$1.6 trillion | ↑        | ↑       |
| Minority Stake Transactions               | 10             | ↑        | ↓       |
| Initial Public Offerings <sup>(1)</sup>   | 0              | -        | -       |
| Cross-Border Transactions                 | 13             | ↑        | ↓       |
| Private Market Median M&A EBITDA Multiple | 6.6x           | ↓        | ↓       |

## Number of Traditional Manager Transactions



Source: Piper Sandler

1) No arrow indicates that the average number of IPOs is less than one

# Case Studies: The Drive for More Scale and Reach in the Traditional Space

Two of the largest marquee traditional asset management transactions of 2024 highlight the industry's pursuit of scale and efficiencies to navigate headwinds related to fee compression, flow activity, and business growth


## Acquisition of Amundi Asset Management (U.S.)

| Acquirer / Target         |  |
|---------------------------|---|
| Announcement Date         | April 2024  |
| AUM                       | \$104 billion   |
| Stake                     | 100%  |
| Transaction Consideration | 26.1% Stake in Victory Capital  |

### Strategic Rationale

- Amundi U.S. business was combined into Victory Capital, with Amundi becoming a 26.1% strategic shareholder in Victory Capital
- The transaction facilitated a new global distribution channel and broadened investment capabilities, with Victory Capital and Amundi becoming reciprocal distribution partners
- The transaction is projected to result in significant cost savings, primarily achieved within the first year, enhancing operational efficiencies

## Acquisition of AXA Investment Managers

| Acquirer / Target         |  |
|---------------------------|---|
| Announcement Date         | August 2024   |
| AUM                       | \$917 billion   |
| Stake                     | 100%  |
| Transaction Consideration | \$5.5 billion (100% Cash)   |

### Strategic Rationale

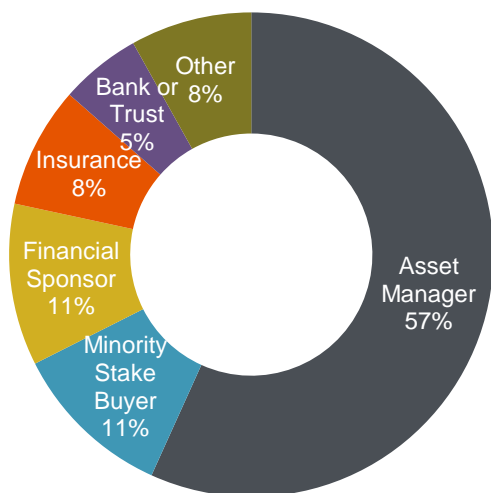
- BNP Paribas will become the leading European player in the management of long-term savings assets for insurers and pension funds
- Post-transaction, BNP Paribas Cardif will leverage the firms expanded capabilities to manage its savings and insurance assets
- BNP will provide investment management services; AXA will retain full authority over product design, asset allocation, and asset-liability management decisions, as it aims to exit the asset management business

# Traditional Asset Management Buyers

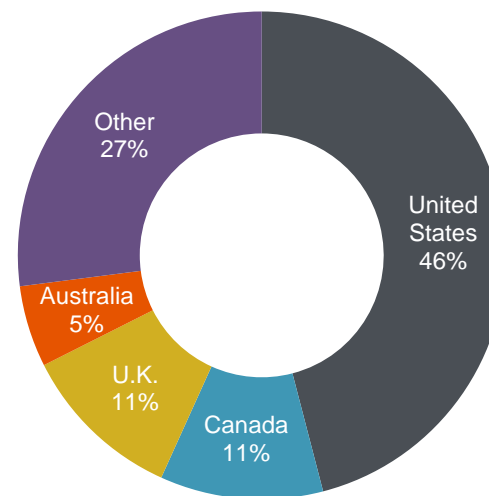
M&A continues to be an important tool for a wide variety of buyers looking to expand into the asset management space, though the majority of deals continue to involve asset management buyers and buyers based in the U.S.

| Buyer Type            | Representative Transaction  | Strategic Rationale   |
|-----------------------|---|---|
| Asset Manager         | <b>Acquirer:</b> Guardian Capital Group<br><b>Target:</b> Sterling Capital Management | Enhance scale and diversify product offerings to support future growth for the combined business  |
| Sponsor               | <b>Acquirer:</b> Flexpoint Ford<br><b>Target:</b> Public Trust Advisors               | Positions PTA to expand product offerings and pursue strategic acquisitions with Flexpoint's capital support                                      |
| Minority Stake Buyers | <b>Acquirer:</b> iM Global Partner<br><b>Target:</b> Trinity Street Asset Management  | Ensures the longevity and stability of Trinity Street as an independent firm, while benefiting from the iMGP distribution network internationally |
| Insurance Co.         | <b>Acquirer:</b> MetLife<br><b>Target:</b> PineBridge Investments                     | Provides PineBridge with access to MetLife's distribution and capital support while expanding MetLife's product set and global client base        |

Buyer Type<sup>(1)</sup>



Buyer Domicile



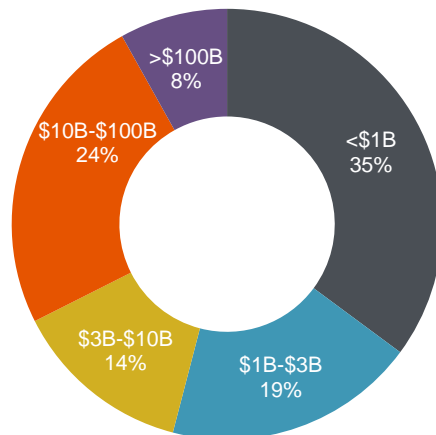
Source: Piper Sandler

1) "Other" includes acquisitions by sovereign wealth funds, professional services firms, and MBO transactions

# Traditional Asset Management Notable Trends

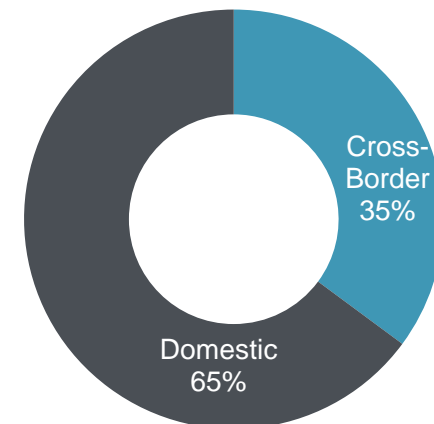
## Target AUM

- Similar to the broader asset and wealth management space, the number of large deals increased substantially, with the number of targets with \$10 billion+ AUM increasing from 5 in 2023 to **15 in 2024**



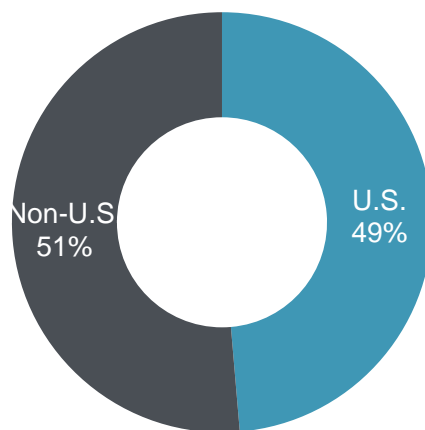
## Cross-Border Activity

- Cross-border transactions declined slightly to **35% in 2024** versus 40% in 2023, but the outlook for future cross-border M&A remains shaky amidst political and economic policy uncertainty, across both the U.S. and Europe



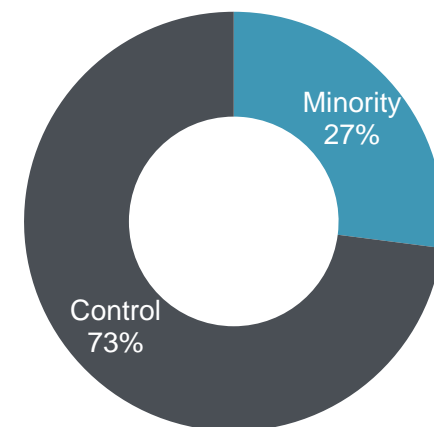
## Target Geography

- U.S. targets increased from 40% in 2023 to **49% in 2024**, as the U.S. public markets continued to outperform the rest of the globe, driving more relative M&A interest in U.S. targets



## Control vs. Minority

- Control transactions continue to represent a significant majority of traditional asset management M&A activity, as strategic buyers prefer to fully realize the benefits of revenue and expense synergies, while interest from the minority stake buyer universe remains more limited

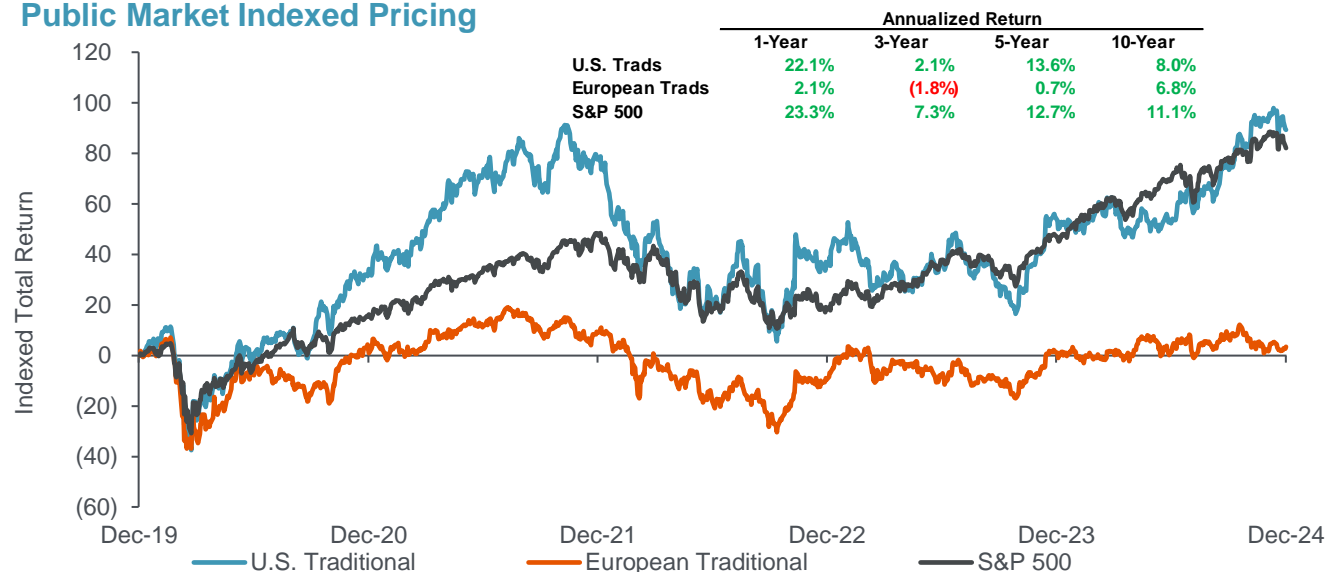


# Traditional Asset Manager Market Pricing

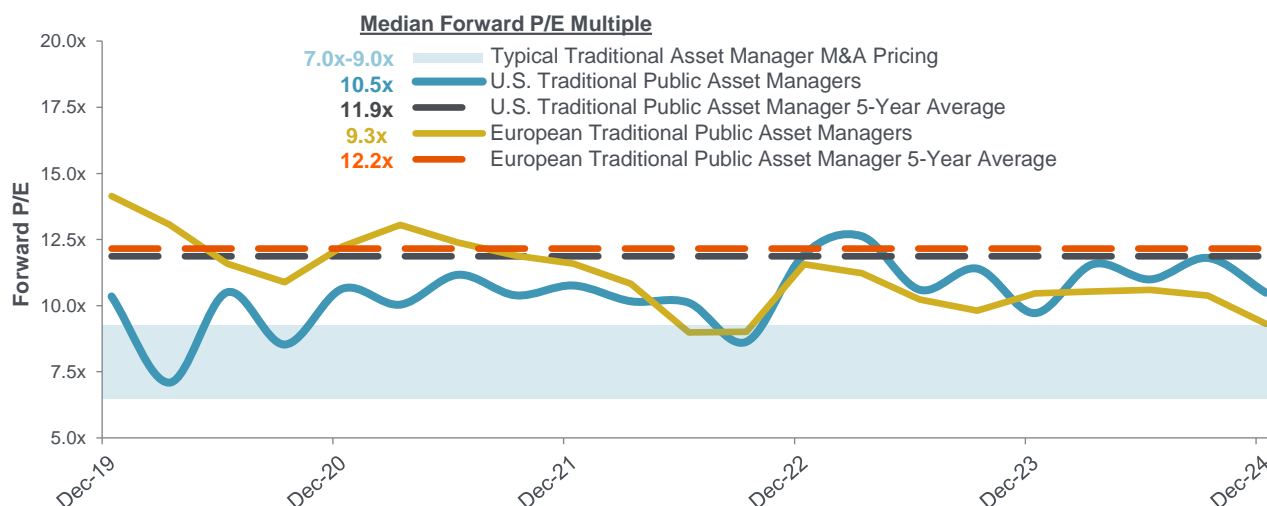
A rebound in the broad public markets helped to spur stock price appreciation for the traditional managers while M&A pricing remained stable relative to recent years amidst continued sector headwinds

- U.S. publicly traded traditional managers demonstrated a second consecutive year of positive returns at 22% in 2024, piggybacking on the S&P 500's strong return of nearly 25% in 2024, while the returns for European traditional managers were minimally positive
- Despite the strong market performance, the public trading multiples for the traditional asset management universe remained stable, as earnings growth was largely tied to the positive impact of the broader equity markets
- Stagnant public trading multiples were mirrored in M&A valuations, which remained in the 7x-9x range, reflecting the fundamental growth challenges facing the industry
- Target firms with differentiated capabilities and the capability to grow can attain top-end valuations up to 10x, with the potential for upside usually tied to achievement of future growth targets
- When significant expense synergies are possible, premium pricing can also be achieved through synergized EBITDA metrics that incorporate rationalizations and margin accretion at the acquirer

## Public Market Indexed Pricing



## Traditional Asset Manager Pricing



Source: Piper Sandler, FactSet

Note: Pricing data as of 12/31/24. PSC composites are equal-weighted, non-investable indices that seek to reflect the performance of traditional and alternative publicly-traded asset management companies in the U.S. and Europe. The composites were developed by Piper Sandler. Performance is based on dividend-adjusted returns



A composite image featuring a business meeting. In the foreground, a person in a blue suit holds a pen and points at a tablet displaying a line chart. In the background, another person points at a laptop screen showing a bar chart and a data table. The scene is set in a bright office with a window in the background.

## V. The Year Ahead

# 2025 Expectations

Amidst the ups and downs of the broader M&A markets in recent years, the asset and wealth management space has continued to be a strong sector overall, as both buyers and sellers utilize M&A to achieve their strategic and financial goals. We expect this momentum to continue in 2025, largely supported by wealth management M&A

## Financial Sponsors Continue to Aggressively Seek Wealth Platforms



A growing universe of financial sponsors is seeking to deploy capital into the wealth management space, while many sponsors with existing wealth management portfolio companies are seeking a second (or third) platform. After years of significant sponsor activity, few scaled platforms remain that have not taken sponsor capital. As a result, many sponsors will seek to invest alongside existing backers, who will be hesitant to fully exit their existing investment. With many 2020-2021 investments reaching a suitable point to transact, we expect such partnership opportunities to be plentiful.

## Well-Capitalized Wealth Platforms Will Drive Robust Competition for Targets



The past three years have set a new normal for robust M&A activity, with dozens of wealth platforms seeking to scale, as the universe of potential targets remains robust and highly fragmented. Sellers should expect to have a healthy set of buyers to choose from when they come to market, while buyers will need to deliver strategic benefits to potential targets and be willing to pay premium valuations for the most attractive opportunities.

## Alternative Asset Management M&A Will Involve Larger, At-Scale Targets



In prior years, alternative asset management M&A activity has been barbelled on the smaller end by tuck-in acquisitions and on the larger end by minority stake transactions. 2024 saw a material increase in acquisitions of large alternative asset management platforms. This should continue as a broader universe of buyers seeks to build more comprehensive private markets platforms, while sellers aim to benefit from the strategic synergies of joining a much larger organization that are more difficult to realize in minority stake transactions.

## 2025 Expectations (Cont'd)

### Traditional Asset Management M&A Will Remain Episodic and Require Synergies



M&A opportunities in the traditional asset management space will likely remain at current levels or slightly contract. Both the buyer and seller will need to bring synergies to the table, including potential consolidation opportunities, to usher a transaction to the finish line. Sellers will need to deliver specialized investment capabilities or a unique distribution angle, while buyers will need to offer immediate growth accelerants to the target.

### Alternative Asset Managers Will Consider the Public Markets, While Wealth Managers Will Remain Patient



More alternative asset managers are considering entering the public markets to meet liquidity needs and fund strategic initiatives. A few have already made the IPO jump, and we expect several others will follow in their footsteps. However, we expect wealth managers to remain on the IPO sidelines for now, as public valuations remain uncertain for their PE sponsor backers, and private equity capital remains eager to fund platforms' current liquidity needs.

### Increased Competition Will Maintain Elevated Pricing in Select Sectors



In the wealth management space, competition will continue to drive red hot valuations for platform investment opportunities, while the platforms themselves drive increased competition for smaller targets. In the alternative asset management space, premium pricing will continue for differentiated opportunities that are positioned for growth. In the traditional asset management space, however, pricing will continue to remain muted as the focus remains on how the two businesses can come together to manage costs, add scale, and drive growth.

The background image shows a business meeting in progress. A person in a blue suit is pointing at a tablet held by another person. In the foreground, there are documents with charts and a laptop. A teal semi-transparent rectangle is overlaid on the left side of the image, containing the text 'VI. Appendix'.

## VI. Appendix

# Piper Sandler Asset & Wealth Management M&A Expertise

|  |  |   |  |   |   |
|--|--|---|--|---|---|
|  <p>has completed a strategic transaction with</p>  <p>Sell-Side Advisor to Americana Partners</p> |  <p>has sold a minority stake to</p>  <p>Sell-Side Advisor to Revelation Partners</p>              |  <p>has received a strategic investment from</p>  <p>Financial Advisor to Reckoner Capital Mgmt.</p> |  <p>has been acquired by</p>  <p>Sell-Side Advisor to Envoi</p>                                    |  <p>has been acquired by</p>  <p>Sell-Side Advisor to Public Trust Advisors</p>   |  <p>has merged with</p>  <p>Buy-Side Advisor to Curi Capital</p>  |
|  <p>has been acquired by</p>  <p>Sell-Side Advisor to CQS</p>                                      |  <p>has acquired</p>  <p>Buy-Side Advisor to Permira</p>   | <p>\$3,100,000,000</p>  <p>has been acquired by</p>  <p>Sell-Side Advisor to Angelo Gordon</p>        |  <p>has been acquired by</p>  <p>Sell-Side Advisor to ROBO Global</p>                              |  <p>has sold all deposits and loans of Silicon Valley Bridge Bank, N.A. as well as SVB Private and its wealth management affiliate SVB Wealth</p>  <p>to</p>  <p>Advisor to the FDIC</p> | <p>\$130,000,000</p>  <p>has acquired</p>  <p>Buy-Side Advisor to Virtus Investment Partners</p>  |
| <p>CZECH   Asset Management, L.P.</p> <p>has been acquired by</p>  <p>Sell-Side Advisor to Czech Asset Management</p>   |  <p>has merged with</p>  <p>Sell-Side Advisor to Enterprise Trust &amp; Investment Company</p> |  <p>has sold a minority stake to</p>  <p>Sell-Side Advisor to Gramercy</p>                       |  <p>has sold a minority stake to</p>  <p>Sell-Side Advisor to Radcliffe Capital Management</p> | <p><b>O'SHARES ETFs</b></p> <p>has completed a strategic transaction with</p>  <p>Financial Advisor to O'Shares ETFs</p>   | <p>\$1,125,000,000</p>  <p>have merged to form</p>  <p>and list on Nasdaq via a combination with Cartesian Growth Corp.</p> <p>Advisor to Tiedemann Advisors &amp; TIG Advisors</p> |



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