SANDLER O'NEILL + PARTNERS

MARCH 2014

INVESTMENT BANKING GROUP

ASSET MANAGEMENT

AARON DORR
Managing Director
adorr@sandleroneill.com
212.466.7734

CHRISTOPHER BROWNE
Managing Director
cbrowne@sandleroneill.com
212.466.7735

The Rising Tide

2013 M&A Activity in the Asset Management Industry

The optimism shared by investors and managers alike coming into 2013 proved to be well-founded by the year's end. The improving macroeconomic background further bolstered market sentiment resulting in the strongest annual performance of the U.S. equity market in nearly two decades. The rising tide lifted all boats, as deal making, IPO activity, and follow-on equity offerings across the asset management industry all posted strong showings in 2013.

2013: BY THE NUMBERS		*vs. 2012*
Asset Management Transactions	146	↑
Aggregate Disclosed Deal Value	$13.2 billion	↑
Aggregate AUM Transacted	$2.2 trillion	↑
Divestitures (% of Total Transactions)	48%	↑
MBOs & PE Sponsored Transactions	20	↓
Minority Stake Transactions	29	↓
Cross-Border Transactions	41	↓
Alternative Manager Sales	49	↑
IPOs	2	--
Sandler O'Neill + Partners Global Asset Manager Index	50%	↑
Median Forward P/E Multiple - Publicly Traded Managers (U.S.)	18.6x	↑
Median Run-Rate EBITDA Multiple - Private Transactions (Globally)	8.0x	↓

Table of Contents

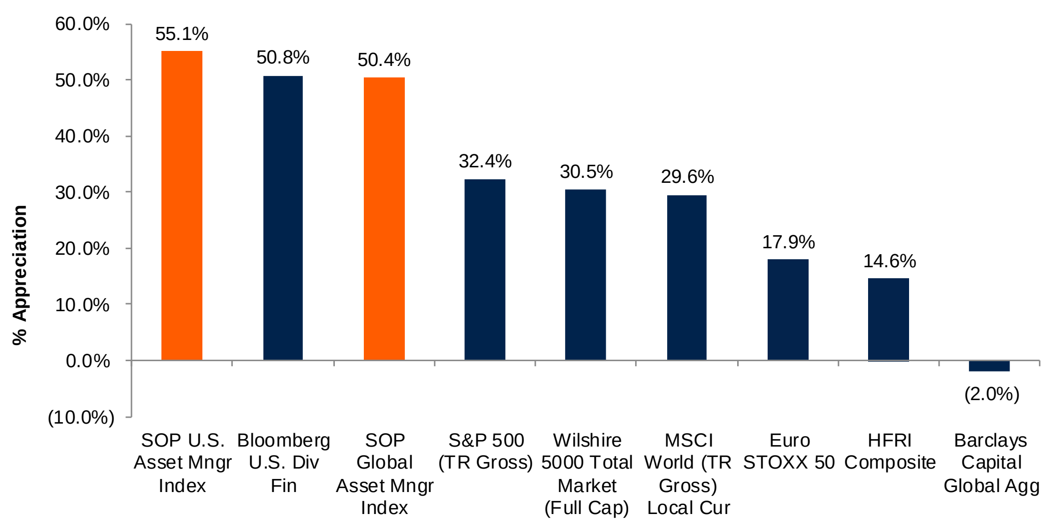
Table of Exhibits

OVERVIEW

Following the positive tone set in 2012, investors found much to be happy about in 2013 as equity markets continued their climb to all-time highs. Global headlines were first dominated by Ben Bernanke's introduction of the long-feared tapering of the Fed's Quantitative Easing program, only to be displaced in the spotlight by an unprecedented 16-day government shutdown and protracted political battle over the U.S. debt ceiling. Despite the political drama, global equity markets in the developed nations marched on, while the Emerging Markets felt the pinch of anticipated tapering of global monetary stimulus. Following a formidable 16% return in 2012, the S&P 500 Total Return index posted a 32% return in 2013, the largest annual gain in 16 years. European markets posted their best showing since 2009 with the Euro STOXX 50 index returning nearly 18%, while emerging markets suffered, with the MSCI Emerging Market Index falling just over 2% for the year.

The rising tide in the global equity markets and an increased appetite for risk among investors propelled U.S. financial services stocks to a staggering 51% return in 2013 with asset managers around the world registering a similar return and U.S. asset managers besting them both. The Sandler O'Neill U.S. Asset Manager Index[1] returned just over 55% in 2013, and the Sandler O'Neill Global Asset Manager Index[2] came in just over 50%. While investor flows in 2012 were characterized by a lingering preference for safety, flows in 2013 showed a return of confidence and the "risk-on" trade, particularly in the U.S., which saw equity allocations grow significantly.

EXHIBIT 1: Performance of Major Capital Markets Benchmarks and Financial Sector Indices, 2013

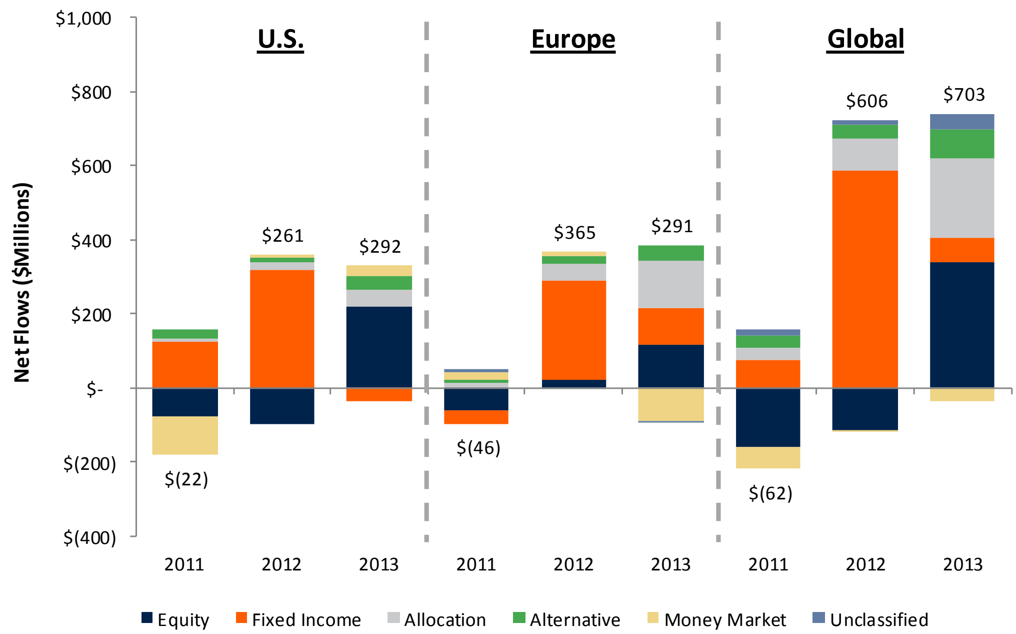


Source: Bloomberg, Capital IQ, Hedge Fund Research, Sandler O'Neill

[1] Market capitalization-weighted non-investable index that seeks to reflect the performance of U.S. publicly traded asset management companies. The index was developed by Sandler O'Neill and currently consists of 31 companies.
[2] Market capitalization-weighted non-investable index that seeks to reflect the performance of publicly traded asset management companies. The index was developed by Sandler O'Neill and currently consists of 63 companies.

While European investors were less aggressive in 2013 than their U.S. counterparts, their appetite for money market products decreased and flows were redirected into a mix of equity products and asset allocation products with equity components.

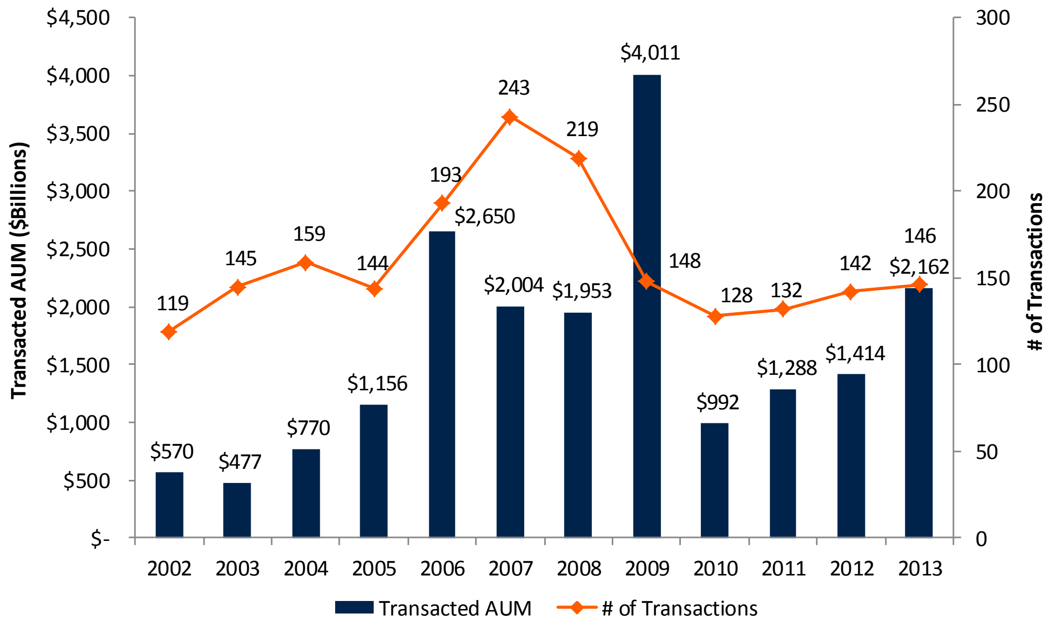
EXHIBIT 2: U.S., European, and Global Mutual Fund Net Flows



Source: Morningstar Direct

The volume of asset management M&A activity stepped up marginally from the prior year, with 146 transactions announced in 2013, compared to 142 in 2012. Transacted AUM was up meaningfully – increasing by 53% over 2012 levels – driven by both capital markets transactions by larger market players and a handful of large marquee deals. The latter harkens the return of the transformational transaction and shows a willingness among buyers to engage in larger and potentially riskier transactions, including cross-border deals, to levels not seen since before the financial crisis.

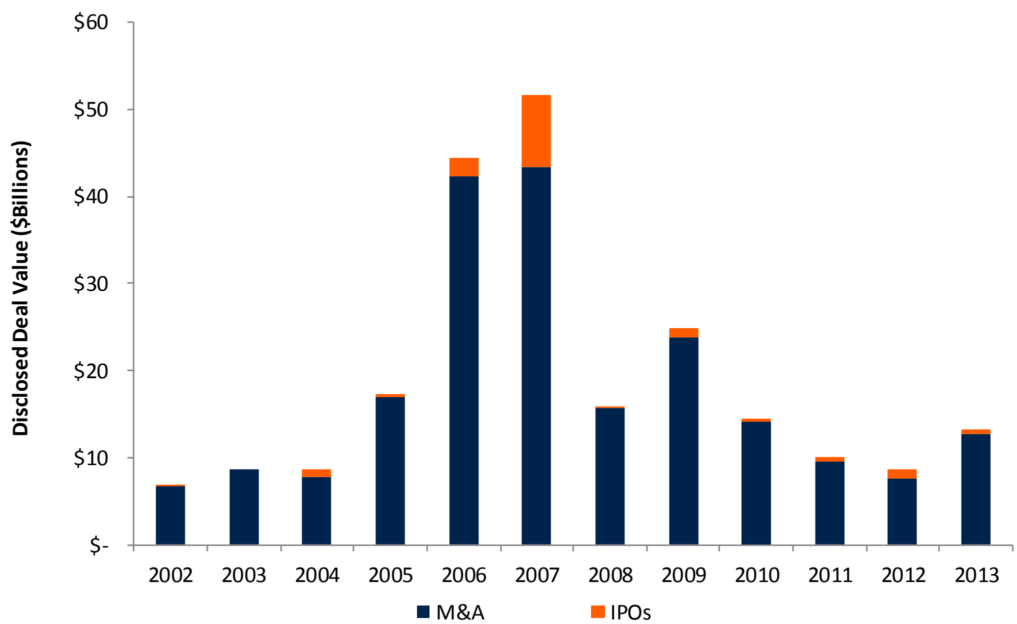
EXHIBIT 3: Total Number of Transactions and Acquired AUM



Note: Includes minority transactions, recapitalizations, IPOs, and follow-ons involving a passive seller.
Source: Sandler O'Neill

The marquee deals in 2013 helped to push disclosed deal value to its highest level in three years, as buyers of asset management firms spent $13.2 billion of disclosed deal value, a striking 53% increase from $8.6 billion in 2012.

EXHIBIT 4: Disclosed Deal Values in Asset Management Deals Worldwide



Note: Includes minority transactions, recapitalizations, IPOs, and follow-ons involving a passive seller.
Source: Sandler O'Neill

The largest deals of the year as measured by AUM showed a healthy mix of cross-border expansion, in-market consolidation, and equity capital markets activity. The year's biggest transaction, **ORIX Corporation's** acquisition of **Robeco Groep**, was the largest and highest profile foray into asset management for the Japan-based buyer, which secured a platform with meaningful beachheads in both Europe and the U.S. The second-largest deal was **Aberdeen Asset Management's** announced acquisition of **Scottish Widows Investment Partnership Group**, a primarily consolidating transaction for U.K.-based Aberdeen in its home market. Both transactions also landed in the ranks of the all-time top 10 largest asset management deals by transacted AUM. The third largest deal by AUM in 2013 was **Banco Santander's** sale of a 50% stake in **Santander Asset Management** to funds managed by **Warburg Pincus** and **General Atlantic**. Follow-on public equity sales by **The Carlyle Group** and **Apollo Global Management** rounded out the top five.

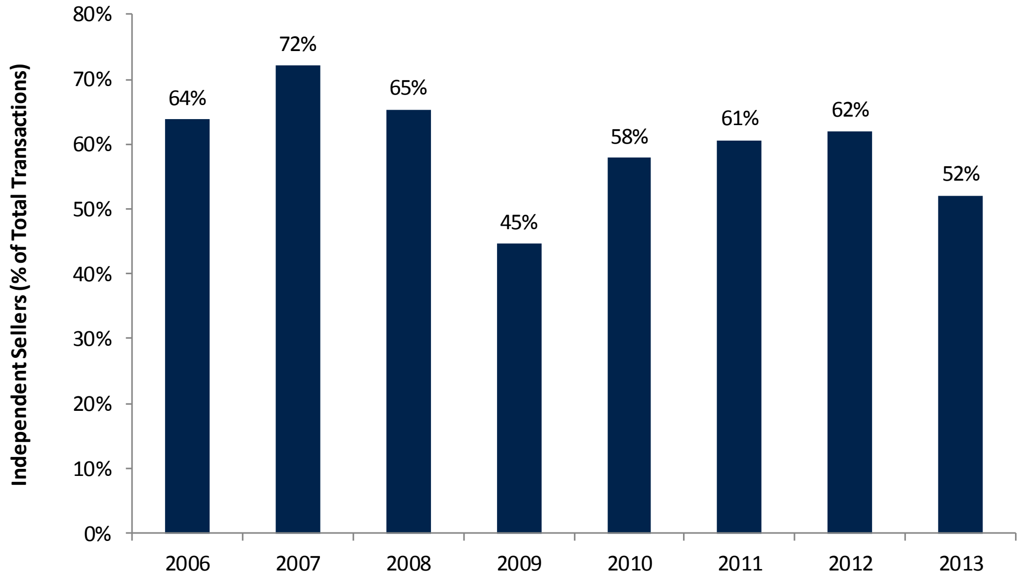
EXHIBIT 5: Largest Asset Management Deals by Transacted AUM, 2013

Date	Target	Country	Type	Acquirer	Country	AUM ($MM)	% Acquired
Feb-13	Robeco Groep, N.V.	Netherlands	Div	ORIX Corporation	Japan	$ 244,230	90%
Nov-13	Scottish Widows Investment Partnership Group Limited	U.K.	Div	Aberdeen Asset Management Plc	U.K.	219,154	100%
May-13	Santander Asset Management	Spain	Div	Warburg Pincus, General Atlantic	U.S.	197,250	50%
Jun-13	The Carlyle Group	U.S.	Alt	Follow-on Offering	U.S.	176,313	4%
May-13	Apollo Global Management, LLC	U.S.	Alt	Follow-on Offering	U.S.	114,000	17%

Note: Data converted to U.S. currency at time of announcement. Announced transactions only.
Source: Sandler O'Neill

Transaction activity involving independent sellers dropped to its lowest level since 2009, representing 52% of overall deal volume. The notable drop was due to a scarcity of independent sellers transacting during the year and an upswing in divestiture activity, as diversified financial institutions continued their post-crisis trend of shedding non-core businesses, encouraged by a healthier market backdrop with more active buyers.

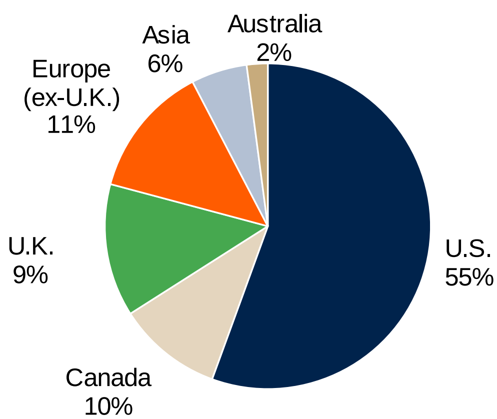
EXHIBIT 6: Transaction Activity Involving Independent Sellers



Source: Sandler O'Neill

True to historical form, U.S.-based firms remained the most active acquirers of asset management businesses in 2013. Consistent with 2012 levels, U.S. buyers represented 55% of deal volume. Asian buyers represented a surprising 14% of deal activity during 2013, up from 8% in 2012, as a combination of cross-border and in-market deal activity propelled them to the second spot, followed by European (ex-U.K.) buyers at 11%. U.K.-based buyers, the typical runner-up to the U.S., came in a distant fourth at 9% of deal volume followed by the Canadian and Australian buyers, at 3% and 1%, respectively.

EXHIBIT 7: Geographical Breakdown of Transactions by Acquirer Domicile, 2013



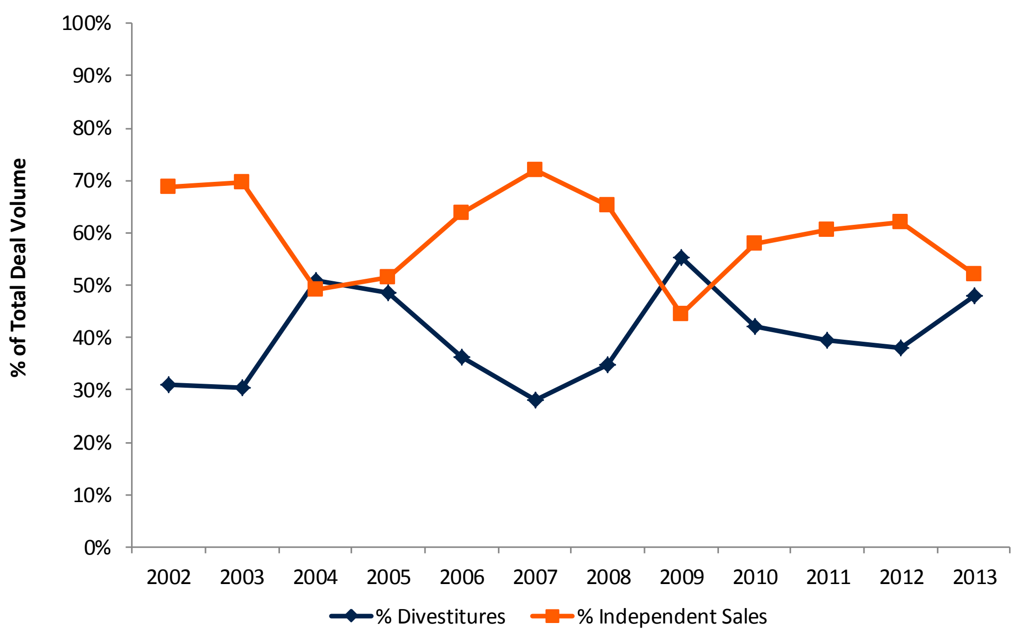
Source: Sandler O'Neill

SELLERS: The Beat Goes On

The healthy transaction momentum of 2012 accelerated slightly in 2013 on the back of strong global equity markets and a gradually improving global economic landscape. Sellers – both institutional and independent alike – were drawn to the bargaining table and were met by a group of eager buyers whose enthusiasm grew as the year progressed. Despite the uptick in overall deal activity in 2013, the composition of sellers interestingly shifted a bit from the prior year and a few large transactions grabbed the spotlight.

Corporate owners of asset management businesses were particularly active in 2013, as divestiture activity increased year-over-year by nearly 30% to 70 transactions. Divestitures represented approximately 48% of total activity in 2013, the highest level since 2009, the peak of divestiture activity in the wake of the financial crisis. The theme behind the divestiture activity has remained consistent since the crisis: diversified financial institutions focusing their business models and disposing of non-core businesses. The largest transaction in 2013 by transacted AUM was **Rabobank's** sale of Robeco Groep, with nearly $245 billion in AUM, to ORIX Corporation. The divestiture activity was spread across the industry into the alternatives sector as well, with **Credit Suisse** divesting both its primary and secondary private equity fund-of-fund businesses.

EXHIBIT 8: Percentage of Divestitures and Independent Sales



Note: Includes minority transactions, recapitalizations, IPOs, and follow-ons involving a passive seller.
Source: Sandler O'Neill

Transactions involving management teams either buying their businesses back from parent companies altogether or acquiring stakes in their businesses, returned to a normalized level of six deals in 2013, down from 10 transactions in 2012. While only a minority stake transaction, the largest of the MBO transactions in 2013 by transacted AUM involved London-based **Investec Asset Management**, whose management team acquired a 15% stake in the business from its South African parent, **Investec**. After exploring the sale of its private equity division for 18 months, France's **AXA Investment Managers** agreed to the management-led buyout of a majority interest in **AXA Investment Managers Private Equity**, which values the firm at over $650 million. The remaining MBO transactions were primarily sales of affiliates that had been acquired by their parents and subsequently identified as a non-core business better left to independent ownership. **Piper Jaffray Companies** sold **Fiduciary Asset Management**, a business it originally acquired in 2007, back to its management team, and **Affiliated Managers Group** did the same with **Friess Associates**, the mid-cap equity manager that Affiliated Managers Group initially acquired in 2001.

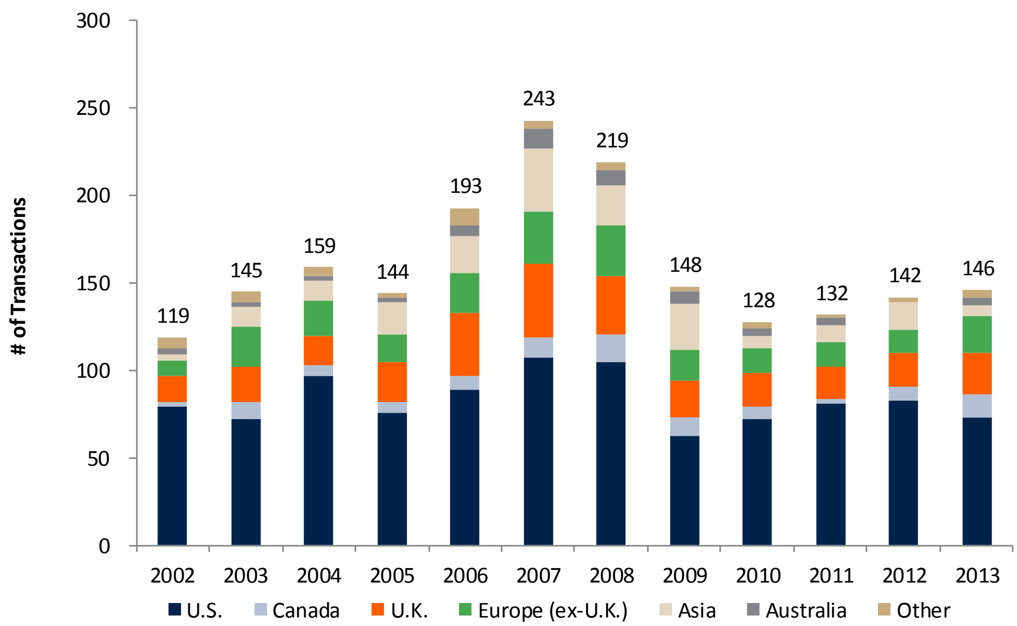
Private equity sponsors contributed little to 2013 selling activity, completing only four transactions, as sponsors continued to be more active buyers than sellers. However, compared to the two transactions that sponsors completed in 2012, 2013 marked a meaningful relative increase year-over-year. The largest sale by a financial sponsor in 2013 was not to a strategic or financial buyer but to the public market, as **Hellman & Friedman** sold a portion of its ownership stake in **Artisan Partners Asset Management**. The most notable divestiture by a sponsor to a single buyer was **Rosemont Investment Partners'** sale of its stake in **SouthernSun Asset Management** as part of Affiliated Managers Group's acquisition of a majority stake in the small- and mid-cap equity manager.

Just looking at the numbers, 76 sale transactions of independently owned firms occurred in 2013, representing 52% of overall transactions, the lowest level since 2009 and a meaningful drop from 62% in 2012. Despite the steep decline, sales of independently owned businesses remain a staple of asset management deal activity, particularly given the somewhat distinct confluence of factors that contributed to the relative decline in 2013. As mentioned earlier, divestiture activity posted a material relative increase during 2013 and the volume of sales of independents in 2012 received a boost from owners looking to reach deals before highly anticipated tax increases. The independently owned firms that struck deals in 2013 pursued historical "bread and butter" transactions to achieve liquidity for passive owners and to secure strategic partners to expand product distribution and accelerate business growth. **Segall Bryant & Hamill's** sale of a majority stake to a fund managed by private equity sponsor **Thoma Bravo** was primarily to buy out **Dougherty Financial Group's** long-held ownership stake. The sale of **Smith Breeden Associates** to the **Amundi Group** brought together Smith Breeden's U.S. fixed income capabilities with Amundi's global institutional client base.

The longstanding status of the U.S. as home to the lion's share of investment management transactions (based on the domicile of the seller) slipped slightly in 2013, reaching its lowest level since 2009. Due to the relative decline in sales by independently owned firms in the U.S. in 2013 and strong showings by sellers in other countries, only 50% of transactions involved a U.S.-based seller in 2013, down from 58% in the prior year. As the second-largest market for transactions for yet another year, the U.K. represented 16% of global investment management seller activity, an uptick from 2012 levels. Canadian sellers were the biggest movers of the year, posting a 63% increase in transaction activity in 2013 over the prior year. The jump in activity was due primarily to in-market transactions, most notably **Richardson GMP Limited's** acquisition of **Macquarie Group Limited's** Canadian retail and private client business, **Macquarie Private Wealth**. An equally impressive relative jump in 2013 transaction activity occurred in Europe (ex-U.K.), with a 62% increase in the number of sellers that transacted in 2013 over the prior year. The strengthening macroeconomic backdrop supported both the volume and size of European transaction activity, most notably the sale by Banco Santander of a 50% stake in Santander Asset Management to funds managed by Warburg Pincus and General Atlantic. This transaction was a key step toward Banco Santander's stated goal of doubling Santander Asset Management's AUM in five years by securing capital partners to create a globally-competitive asset management platform and to fuel future growth beyond the bank's home markets.

Looking further east, transaction activity involving sellers in Asia and Australia was mixed. Deals by Asia-domiciled sellers dropped to 4% of total transaction activity, its lowest level in more than a decade, driven by an increasing lack of active sellers and actionable opportunities. Of the six deals involving target businesses in Asia, the largest was **ING Group's** divestiture of its South Korean investment management business to Macquarie Group Limited. As relative deal activity in Asia in 2013 slowed considerably, sellers in Australia completed five transactions, a strong surge in comparison to 2012, a year in which no single notable Australian seller transacted. The bulk of transactions in Australia in 2013 were smaller divestitures, with the only large exception being Macquarie Group Limited's divestiture of its real estate investment management subsidiary, **MGPA Limited**, to **BlackRock**.

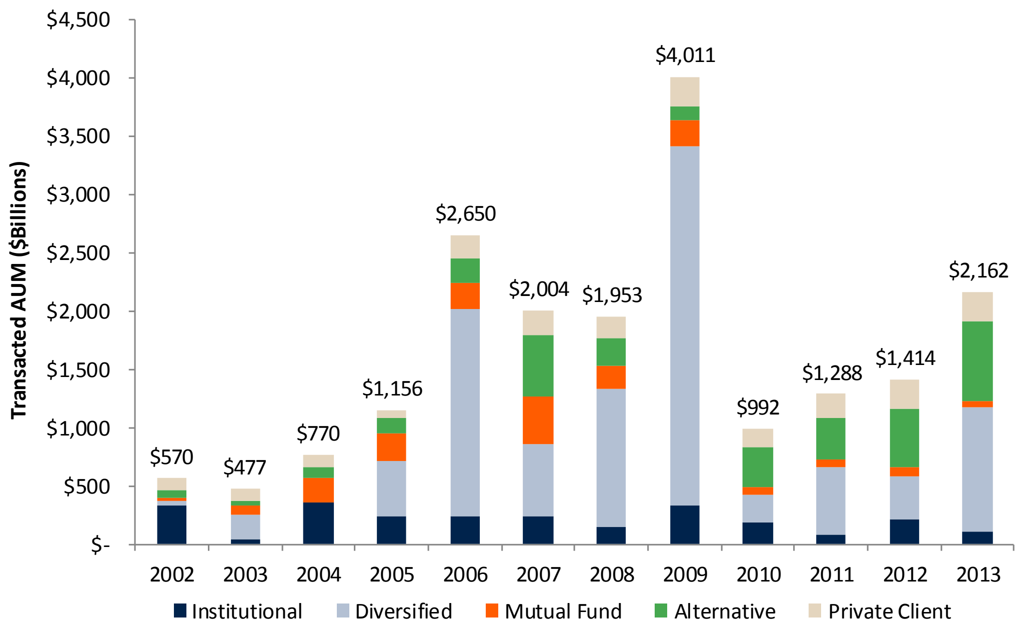
EXHIBIT 9: Historical Target Breakdown by Region



Note: Includes minority transactions, recapitalizations, IPOs, and follow-ons involving a passive seller.
Source: Sandler O'Neill

The types of businesses involved in transactions in 2013 were comparable to the mix seen in 2012, with the notable exception being diversified asset managers, which saw a tripling of AUM change hands in 2013 relative to 2012 at a price of four times last year's deal value. These outsized increases in 2013 were driven by the few large marquee deals announced during the year, with three transactions involving targets with approximately $200 billion in AUM or greater. Deal activity involving private client businesses continued its strong upswing with 47 transactions announced in 2013, an increase of nearly 18% over the prior year. Despite the increase in private client deal volume, the transacted AUM was essentially flat to 2012 levels, speaking to the smaller average transaction size (in terms of AUM) in 2013. **Mariner Wealth Advisors** continued its inorganic growth strategy in 2013 with the acquisition of a majority stake in New York-based **RR Advisory Group**. **Focus Financial Partners** was on both sides of the deal spectrum in 2013, acquiring four firms during the year and selling a minority stake to a fund managed by **Centerbridge Partners**.

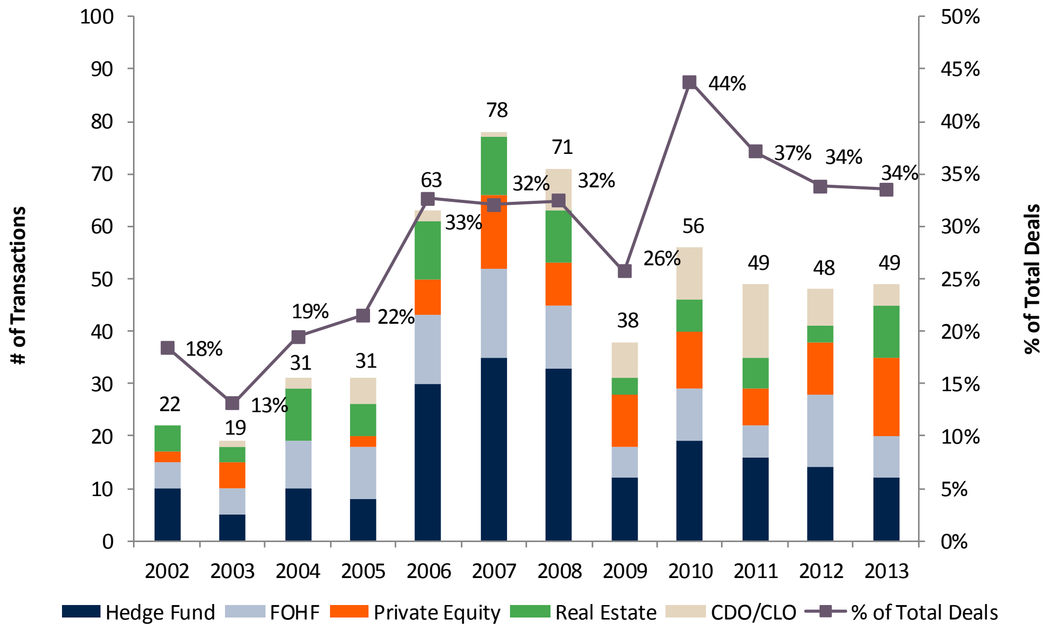
EXHIBIT 10: Transacted AUM by Target Type



Note: Includes minority transactions, recapitalizations, IPOs, and follow-ons involving a passive seller.
Source: Sandler O'Neill

Deal activity involving alternative asset managers remained on par with 2012 levels, though the types of managers that transacted changed notably. Transaction volume involving fund-of-hedge-fund targets dropped by over 40% from 2012, reflecting both (i) a lack of targets of size in a market where size increasingly matters; and (ii) a limited universe of interested strategic buyers, given the lingering questions about the future growth prospects of the fund-of-hedge-funds industry. On the contrary, transaction activity involving real estate investment management targets increased by over three times, as buyers looked to more aggressively develop or enhance real asset businesses with global capabilities. In addition to the BlackRock/MGPA deal, several strategic transactions took place, including The Carlyle Group's purchase of **Metropolitan Real Estate Equity Management**, a real estate fund-of-funds manager.

EXHIBIT 11: Historical Transaction Activity Involving Alternative Asset Management Firms

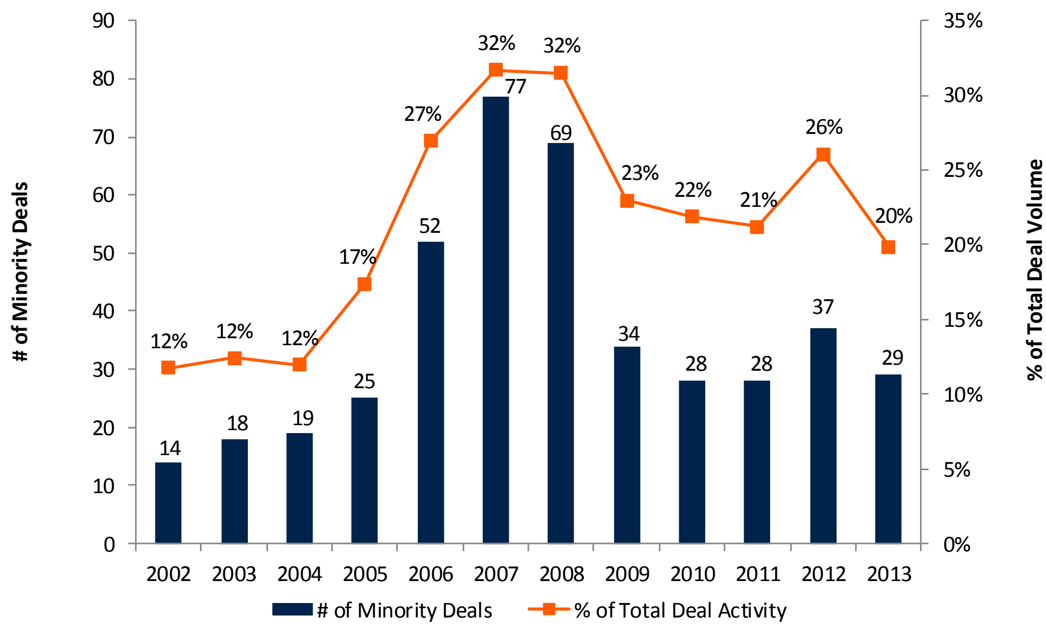


Note: Includes minority transactions, recapitalizations, IPOs, and follow-ons involving a passive seller.
Source: Sandler O'Neill

Volume of transactions involving the sale of private equity managers also posted a strong showing in 2013, increasing 50% over 2012 levels, and hitting its highest number of transactions (10) since 2008. Nearly one-third of the transactions involving private equity managers were due to Credit Suisse's divestiture of all of its private equity businesses, including the spin-out of **DLJ Investment Partners**, its middle market private equity business, to Connecticut-based **Portfolio Advisors**. The U.K. notched its sole in-market transaction involving a private equity manager in 2013 with the sale of **Barclays Infrastructure Funds Management Limited** to **3i Group**. Transaction activity involving hedge fund managers dropped 14% in 2013 from the prior year, while the transacted AUM for the year dropped by a staggering 90%. Hedge fund deals during the year were typically smaller transactions in which the acquirer sought to add specific product capabilities, such as **Henderson Group's** acquisition of commodities specialist **H3 Global Advisors**.

After stepping up in 2012, only 29 minority transactions occurred in 2013, representing 20% of total deals, the lowest level since 2005. This meek level of minority deals was driven by both (i) a focus in 2013 on strategic deal making with buyers taking controlling stakes in underlying managers; and (ii) decreases in deals with private equity buyers and transactions with hedge fund manager targets, both of which historically have been predominantly minority transactions. Despite the decline in 2013, notable minority transactions in 2013 spanned product types and geographies. Singapore-based **Straights Trading Company Limited** acquired a 20% stake in real estate manager **ARA Asset Management**, also based in Singapore. French asset manager, **La Francaise**, acquired a 24.9% stake in independently owned real estate specialist **Forum Partners**, as the basis of a strategic partnership to launch a suite of European direct real estate products**.**

EXHIBIT 12: Historical Minority Transaction Activity



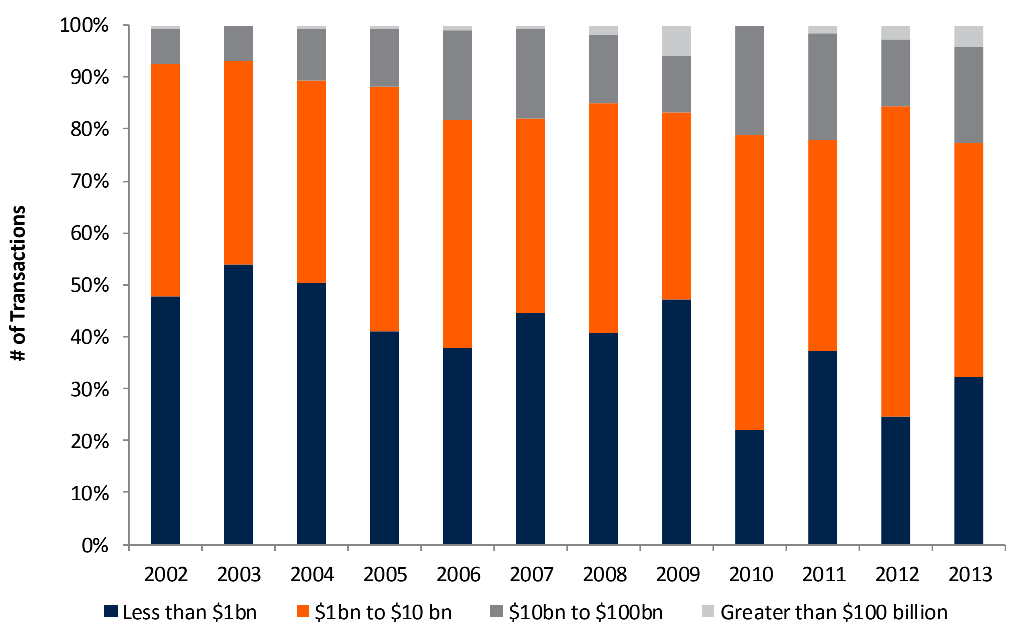
Source: Sandler O'Neill

BUYERS: Seize the Day

The strong market tailwinds that enticed sellers to the M&A market had a similar effect on buyers in 2013 – spurring them to action. Buyers' risk appetites increased alongside their clients', which led to healthy levels of deal activity in 2013. In total, buyers spent 53% more in 2013 to achieve their acquisition ambitions as total disclosed deal value exceeded $13.2 billion, up from the 10-year low of $8.6 billion in 2012. While some buyers jumped in head first and others pursued more cautious approaches, a broader group of buyers came off the sidelines in 2013 to survey the market for opportunities that might meet their strategic and financial objectives. Underpinning deal activity overall was the need for firms to expand the scope of their product offerings and the breadth of distribution in anticipation of the expected large-scale rotation out of fixed income investments into equity and alternative products.

The size of the largest transactions in 2013 reflected buyers' growing confidence and ambitions. Large marquee deals made a meaningful comeback globally in 2013 after being relatively absent in 2012. Six deals involving sellers with AUM in excess of $100 billion were announced in 2013, the third consecutive annual increase. Just below that, 27 transactions involving managers with AUM between $10 billion and $100 billion occurred during the year, compared to just 18 in 2012, a 50% increase. The middle market, deals with transacted AUM between $1 billion and $10 billion, took a step back in 2013. While the middle market continues to represent the largest single market, only 66 deals in the category were announced in 2013, down from 85 in 2012. While we do not believe that the volume at the larger end of the market indicates the advent of an extended period of transformational deal making, it does reflect the growing comfort of CEOs and their boards in putting idle cash and available credit to work more aggressively when the right opportunities arise.

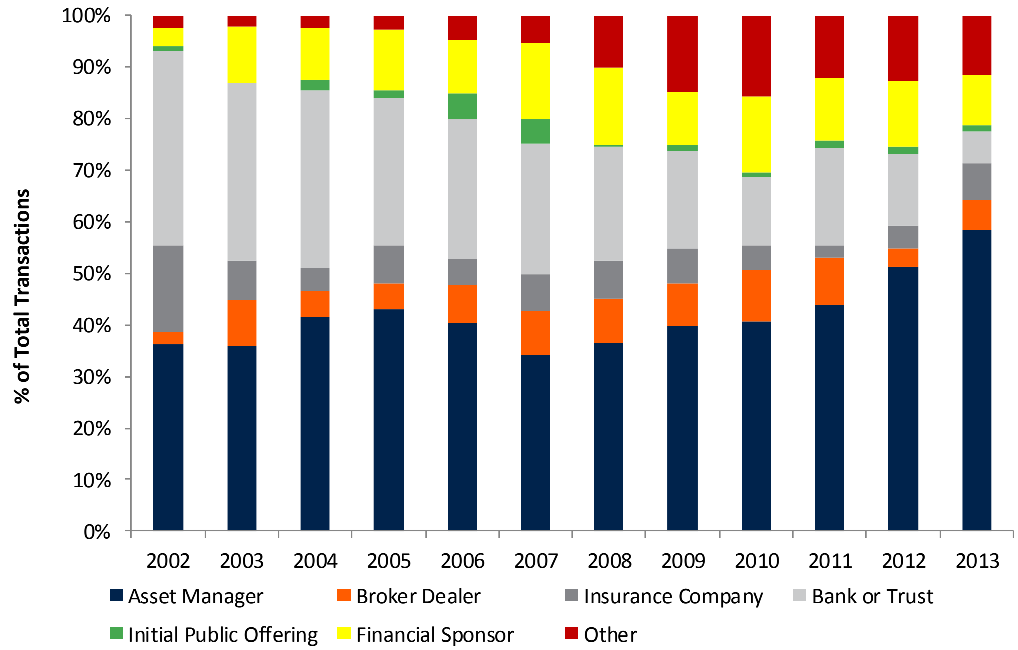
EXHIBIT 13: Number of Asset Management Transactions by AUM Size



Note: Includes minority transactions, recapitalizations, IPOs, and follow-ons involving a passive seller.
Source: Sandler O'Neill

The mix of buyers in 2013 continued to be dominated by pure-play asset management companies, with pure-play asset managers, insurance companies, and broker/dealers all elevating their deal activity. Each announced more transactions in 2013 than in 2012, though asset managers' acquisition volume greatly eclipsed the combined buying activities of insurance companies and broker/dealers. Going the opposite direction were financial sponsors and banks, which saw declining deal volumes in 2013.

EXHIBIT 14: Number of Asset Management Transactions by Acquirer Type



Note: Includes minority transactions, recapitalizations, IPOs, and follow-ons involving a passive seller.
Source: Sandler O'Neill

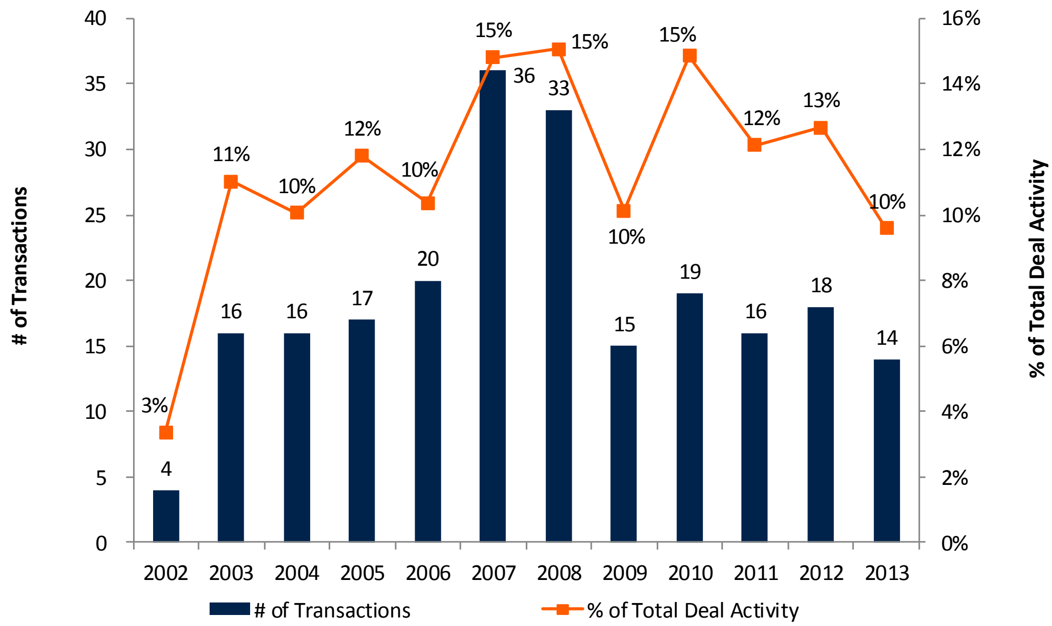
Scooping up 85 targets, pure-play asset managers set an all-time high in 2013 for both the most announced deals by this group and the highest percentage of overall transactions (58% of total announced deals in 2013). It was the second consecutive year that this group accounted for more than 50% of all announced deals, a trend that we believe will continue as pure-play buyers benefit from diminished competition for acquisitions. Size didn't matter, as pure-play asset managers transacted with large and small sellers alike, though the average AUM transacted per deal of $6 billion remained relatively unchanged from 2012.

Alternative asset managers made a huge splash in 2013, announcing six of the 10 largest deals among the pure-play asset managers as measured by AUM. Nearly all of the largest U.S.-listed publicly traded alternative managers got into the act, seeking to press their advantage through the ongoing expansion of their product offerings. **Blackstone** entered the private equity and real estate secondaries market by acquiring **Strategic Partners** from Credit Suisse. Strategic Partners, which manages $10 billion in assets, is recognized as one of the world's leading investors in that space. The Carlyle Group purchased $6.7 billion fund-of-hedge-fund manager **Diversified Global Asset Management** to round out the Carlyle Solutions platform, thereby enabling investors to allocate across alternatives in non-affiliated hedge funds, private equity, and real estate. Not to be outdone, **KKR** announced three of the largest deals among its asset management peers. At the outset of the year, it announced the acquisition of a minority stake in **Nephila Capital**, which specializes in investing in reinsurance risk, including insurance-linked securities, catastrophe bonds, and weather derivatives. KKR later acquired $8 billion European-based CLO manager **Avoca Capital Holdings** to extend its credit platform and fill a void in the sector left by banks facing a more onerous regulatory environment. Just prior to year end, KKR announced its largest deal, acquiring **KKR Financial Holdings** in a $2.6 billion transaction. The transaction, which increases KKR's book value to a massive $10 billion, is a differentiator to its competitors and will be used to support growth initiatives, Lastly, privately-owned **Grosvenor Capital Management**, one of the world's largest fund-of-hedge-funds managers, acquired the **Customized Fund Investment Group**, a leading fund of funds group specializing in private equity, infrastructure and real estate, from Credit Suisse. The transaction marked Grosvenor's first-ever acquisition.

Traditional asset managers were no slouches either. Notably, a substantial number of the highest profiles transactions were executed by pure-play asset managers that are based outside of the U.S. The most active was U.K.-listed Aberdeen Asset Management, which tallied three transactions during the course of 2013. Its most significant purchase was Scottish Widows Investment Partnership Group, in a deal valued in excess of $1 billion, which it purchased from **Lloyds Banking Group**. The transaction makes Aberdeen the largest publicly traded asset manager in Europe and is expected to yield significant cost synergies and add scale to a number of key asset classes. Canadian-listed **Fiera Capital Corporation** made three acquisitions in 2013, two of which, **Bel Air Investment Advisors** and **Wilkinson O'Grady & Co**., were in the private wealth management space. Another notable acquisition was U.K.-listed **Schroders'** purchase of **Cazenove Capital Holdings**. The roughly $650 million deal enabled Schroders to put to work some of its $1.5 billion in cash reserves by bringing together two of the oldest and most recognized names in the London market. The transaction significantly expanded Schroders' private wealth management business by adding assets of nearly $30 billion under management to Schroders' existing $15 billion of client assets.

The number of private equity-led acquisitions greatly lagged deals done by pure-play buyers. Sponsors racked up 14 acquisitions in 2013, but for the first time in over a decade, represented less than 10% of the buying activity. Sponsors were particularly active buyers in the divestitures of traditional asset management platforms in 2013, providing more attractive valuations to sellers and greater opportunities to the ongoing business and its management than consolidating strategic buyers. Two such examples were the up to $265 million acquisition of **SunTrust Banks' RidgeWorth Capital Management** by **Lightyear Capital** and **Crestview Partners'** $246 million purchase of **KeyCorp's Victory Capital Management**. Liquidity and growth capital for independent owners of asset management companies also played their usual role in facilitating activity. Centerbridge Partners committed $216 million of investment capital to Focus Financial Partners to support its ongoing acquisition strategy in the private wealth management sector. **FTV Capital**, which was a successful early investor in a number of notable ETF platforms, took a new tact in investing in the ETF space by leading a $75 million equity commitment to **Good Harbor Financial**, a tactical asset allocation manager of portfolios largely comprised of exchange traded funds. Lastly, asset management specialist funds **Estancia Capital** and Rosemont Investment Partners stayed busy again, each making further investments in the sector.

EXHIBIT 15: Financial Sponsor Acquisition Activity



Note: Includes minority transactions and recapitalizations.
Source: Sandler O'Neill

Banks slowed down their buying activity for the second consecutive year, with deal volume falling substantially in 2013 to just nine transactions from the 20 deals announced in 2012. Shockingly, no U.S. bank announced an asset management acquisition in 2013, despite wide sentiment among a broad number of U.S. banks to acquire private wealth management businesses. However, the competitive M&A environment for such businesses has kept valuations strong, amplifying the negative effects of acquisition goodwill on capital ratios, forcing U.S. banks to the sidelines. The focus among banks on wealth management also extended outside of the U.S., as deal activity centered largely on banks buying other financial institutions' private wealth management businesses in strategically important geographies. The largest purchase was **Canadian Imperial Bank of Commerce** acquiring **Atlantic Trust Private Wealth Management** from **Invesco** in a transaction valued at $210 million. The transaction marked the second time in three years that CIBC has crossed the border to shop. In 2011, it acquired JP Morgan's 41% interest in American Century. Credit Suisse and **Standard Chartered** both benefitted from **Morgan Stanley's** decision to reconsider its non-U.S. wealth management businesses. Credit Suisse picked up Morgan Stanley's European, Middle Eastern, and African operations while Standard Chartered landed the investment bank's Indian wealth management unit.

Insurers announced 10 transactions in 2013, putting them back in double-digit territory for the first time since 2009. The acquisition activity among this group remains scattered and less predictable in terms of the types of target businesses. Despite the small number of announced deals by insurance companies, the acquisitions spanned institutional businesses, mutual fund operations, alternative asset managers, and private wealth managers. Occasional buyers **New York Life Insurance** and **TIAA-CREF** were back in action last year, each making moves in the European market to expand their global operations. New York Life purchased **Dexia Asset Management** from its parent, **Dexia SA** for $513 million, in a transaction that added nearly $100 billion of AUM to New York Life. New York Life agreed to pay the same price that Dexia SA was set to receive in its agreement with Hong Kong-based GCS Capital in December 2012, a transaction that fell through in July 2013 when GCS Capital failed to meet its payment obligations. TIAA-CREF purchased a controlling position in Henderson Group's real estate business, combining its $17 billion in AUM with TIAA-CREF's smaller European operation.

Broker/dealers generally remained a liner note in the acquisition landscape. While there were nine transactions announced by broker/dealers in total, **Goldman Sachs** represented three of the group, two of which were small consolidation plays and the other was a small minority investment. Goldman Sachs picked up a range of money market funds from **Royal Bank of Scotland** as well as the stable value funds managed by **Deutsche Asset & Wealth Management**, **Deutsche Bank's** asset management business. Our expectations remain modest for this group going forward and we expect that any pickup in activity will be driven largely by smaller broker/dealers looking to expand and diversify their businesses.

For the second consecutive year, U.S. buyers accounted for 55% of announced transactions in 2013. As we expected, U.S. buyers spent more time shopping abroad in 2013 than in 2012, when only 20% of acquisitions by U.S. buyers were outside the U.S. In total, U.S.-based companies acquired 16 asset managers beyond their borders in 2013, doubling 2012 levels. Nearly one-third of the deals were U.K. based targets, echoing the U.K. as the most frequent hunting ground for U.S. buyers, given the large number of asset management companies relative to other markets where a relatively small number of banks and other large financial institutions control market share. While U.S. managers continue to seek opportunities to extend their businesses into Asia, a shortage of actionable opportunities left U.S. buyers empty handed in those markets.

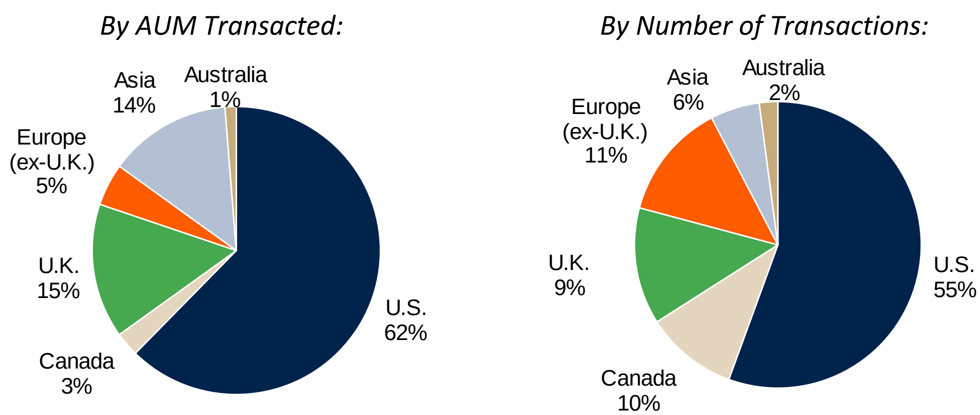
While U.K. buyers maintained their position as the second-most active buyer group, their buying activity was down markedly from 2012, dropping by nearly 27% to 19 deals in 2013. The difference can largely be accounted for by fewer transatlantic transactions. The vast majority of the deals executed by U.K. based businesses involved buying divested assets in both the U.K. and Europe, as the price points were attractive and frequently offered meaningful cost synergies.

European firms outside of the U.K. collectively matched the volume of U.K. buying activity and increased their volume by over 25% in 2013. Not to break tradition, Swiss firms were the most active followed by French buyers. The Swiss spent their asset management acquisition budgets exclusively on private wealth management and alternative businesses which follows the established position Switzerland holds as a leading market globally for these sectors. For the second year running, German buyers stayed out of the market, failing to make any acquisitions.

Canadian firms continued to step up the volume of their buying activity in 2013, more than doubling levels from just two years ago. Canadian firms have largely utilized M&A as a tool for diversification and growth rather than cost savings through integration. Of the 15 announced deals, tastes tended to favor local buying, as most of the acquisitions were in-market, including **Industrial Alliance Insurance and Financial Services'** acquisition of TSX-listed **Jovian Capital Corporation**, to further expand Industrial Alliance's private wealth product and service offerings.

Buying activity among Asian buyers decreased overall last year and was concentrated among Japanese firms. Half of the transactions involved Japanese buyers with a focus on acquiring businesses in the U.S. and Europe, including **Nippon Life Insurance Company's** acquisition of a minority stake in high-yield bond specialist, **Post Advisory Group**, a subsidiary of **Principal Global Investors**, the asset management arm of **Principal Financial Group**. Rounding out the global list of buyers, Australian firms announced three deals in 2013 after a year of silence.

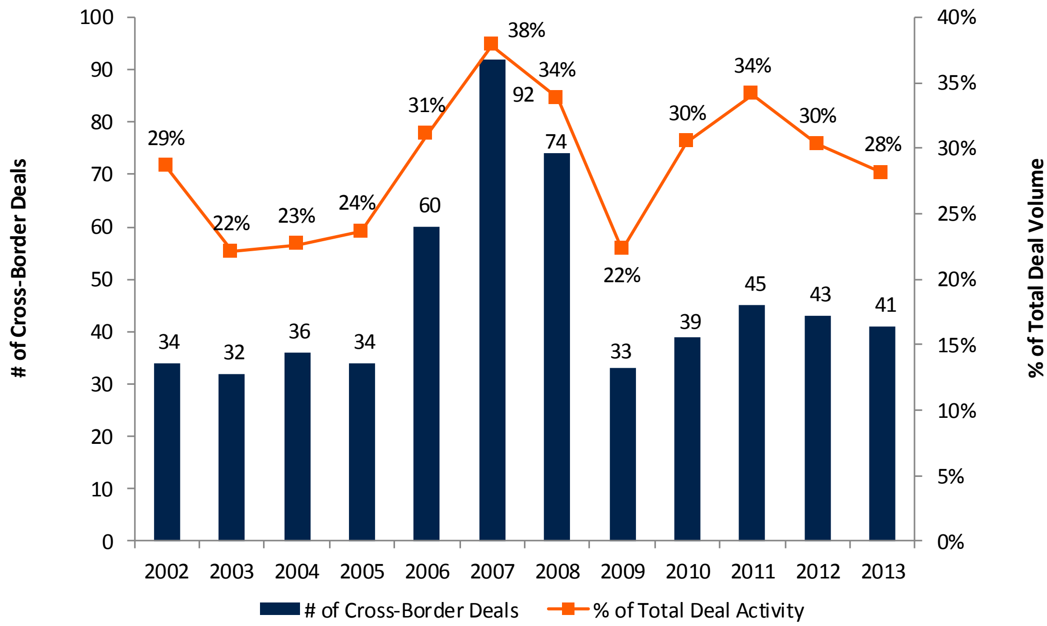
EXHIBIT 16: Geographical Breakdown of AUM Transacted and of Number of Transactions by Acquirer Domicile, 2013



Note: Includes minority transactions, recapitalizations, IPOs, and follow-ons involving a passive seller.
Source: Sandler O'Neill

In total, 41 cross-border transactions were announced in 2013, down slightly from the previous year. At 28% of the overall deal volume, cross-border deals were in line with their 10-year average of 29%. However, 2013 represented a major reversal in the deal flow between the U.S. and the rest of the world. In 2012, we saw U.S. acquirers steering clear of Europe in light of the Continent's ongoing financial woes. In 2013, on the back of fast-improving U.S. markets and more positive expectations for Europe, U.S. firms nearly tripled their buying activity, announcing 11 acquisitions of European-based managers. Conversely, European and U.K.-based buyers halved their buying activity in the U.S., as more positive sentiments about their home markets kept their focus locally. Asian firms maintained a regional focus, only making two acquisitions outside of their home markets. One of those deals, however, ORIX Corporation's acquisition of Robeco Groep, was the largest transaction of the year. We expect 2014 to bring a healthier balance of cross-border acquisitions between geographies given the generally stable-to-positive outlooks for the developed economies and markets for the year ahead.

EXHIBIT 17: Historical Cross-Border Transaction Activity



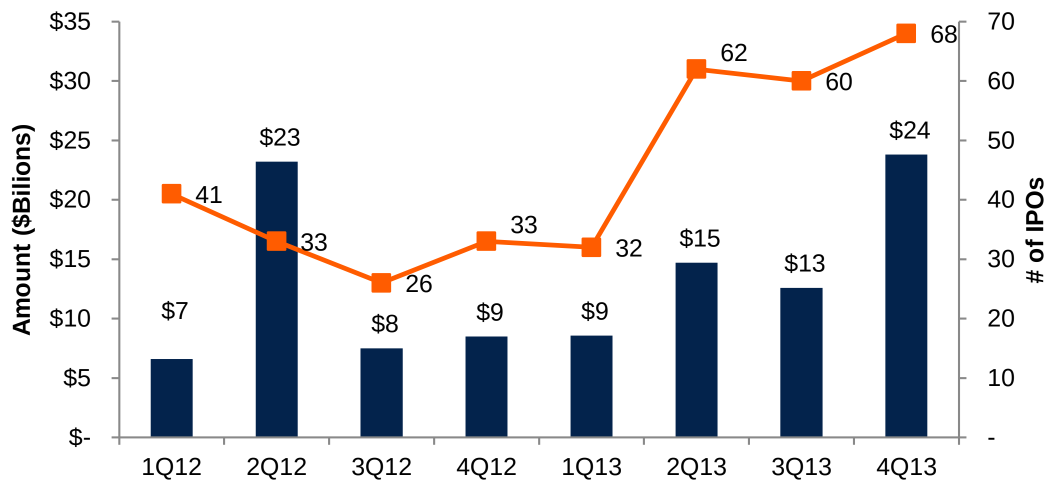
Note: Includes minority transactions and recapitalizations.
Source: Sandler O'Neill

IPOs: Second Time's a Charm

The improved global economy and rising investor confidence that characterized 2013 set the stage for a rebound in global IPO issuance. Despite the suspension of IPO activity in mainland China, which normally accounts for 20% of global volume, the global IPO market produced 934 offerings across all regions and sectors in 2013, up 14% from 2012. Total capital raised in 2013 reached approximately $173 billion, up 39% from 2012 and represented the highest volume since 2010.

The U.S. IPO market in 2013 experienced its best year in issuance and proceeds since 2000. Unlike in previous years, the window for IPOs remained open throughout the year. A total of 222 companies successfully went public, collectively raising $60 billion.

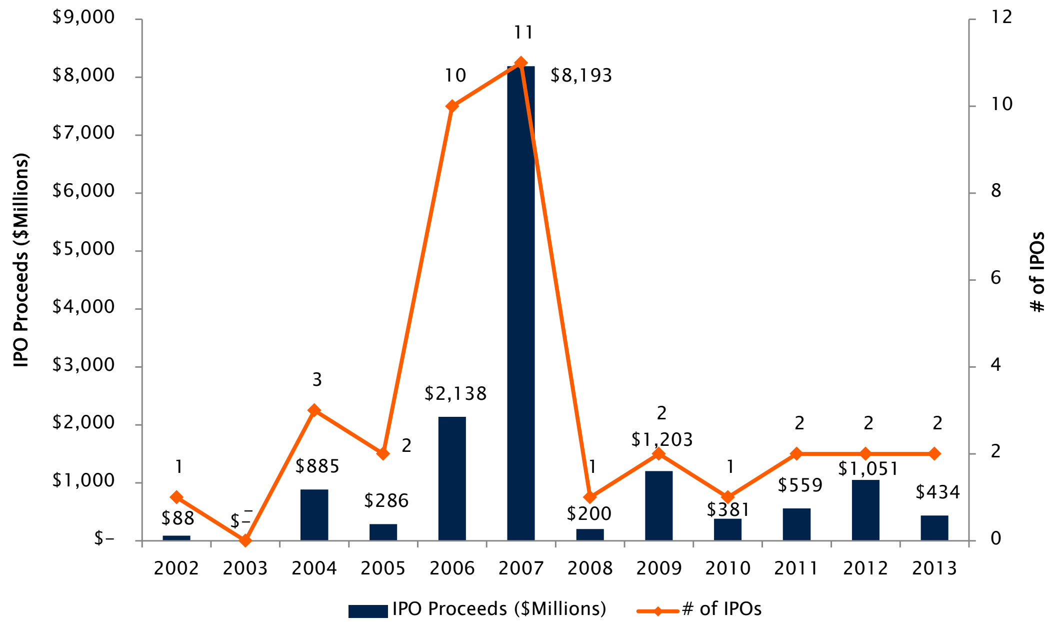
EXHIBIT 18: U.S. IPO Activity Over Last Two Years



Source: Dealogic

In the asset management sector, U.S.-based traditional asset managers Artisan Partners Asset Management and **Silvercrest Asset Management Group** entered the public domain in 2013, collectively raising over $400 million in gross proceeds. After publicly re-filing its registration statement with the SEC in November 2012, Artisan Partners Asset Management, a Milwaukee-based diversified equity investment manager with $79.5 billion in AUM as of February 2013, successfully floated 18% of its shares on the New York Stock Exchange in March 2013. Unlike most traditional asset managers that employ a more centralized investment model, Artisan's twelve distinct U.S., non-U.S., and global equity investment strategies are managed by five autonomous investment teams. The offering priced at $30 per share, above its initial $27-$29 pricing range, which implied a market capitalization of $2.1 billion. Proceeds were used to pay down the remaining revolving credit facility balance, repurchase common units from certain initial outside investors, and make a distribution of retained profits to pre-offering partners.

EXHIBIT 19: Global Asset Management IPO Activity



Source: Sandler O'Neill

Subsequent to surpassing $100 billion in AUM and experiencing an 85+% run-up in its stock price, Artisan expanded its public float in October 2013 by an incremental 8%, attracting a broad base of institutional shareholders. Proceeds from this offering were used to purchase a portion of preferred units and shares of convertible preferred stock held by Hellman & Friedman. After the offering, Hellman & Friedman continues to hold a minority position in Artisan.

After withdrawing its registration statement with the SEC in November 2012 due to market conditions, New York-based Silvercrest Asset Management Group publicly refiled with the SEC in April 2013 and subsequently priced its IPO in June. Founded in 2002 by principals largely from DLJ Asset Management Group, Silvercrest is a premier, full-service wealth manager focused on providing traditional and alternative investment advisory and family office services to ultra-high net worth individuals and institutional investors. With $13.6 billion in AUM as of March 2013 and with its 400-plus client relationships averaging $32 million in size, Silvercrest ranks among the largest independent wealth managers in the nation. Silvercrest became the only pure-play publicly traded asset manager with a primary focus on the ultra-high net worth segment.

The IPO facilitated the full exit of Silvercrest's passive minority owner, Paul Allen's Vulcan Wealth Management, and provided minimal partial liquidity for current employee shareholders. The offering also augmented Silvercrest's ability to execute on future acquisitions via additional cash on the balance sheet. Throughout its history, Silvercrest has demonstrated a proven ability to acquire talent and assets, having made five acquisitions. As of December 31, 2013, Silvercrest's share price increased 55% since pricing its IPO at $11 per share.

As strong as IPO activity was, 2013 may go down as the year of the follow-on for U.S. publicly traded asset managers. Strong equity markets encouraged a record number of

U.S. asset managers to sell incremental stock in the public markets. Uses of proceeds from these offerings ranged from cashing out financial sponsor shareholders to expanding seed capital programs for new investment strategies and funds. In total, nearly $1.9 billion was raised in gross proceeds from five offerings, with the **California Public Employees' Retirement System** notably taking home $500 million from two offerings.

EXHIBIT 20: U.S. Asset Manager Follow-on Offerings in 2013

Pricing Date	Firm Name	Seller Name(s)	Amount ($MM)
Oct-13	Artisan Partners Asset Management, Inc.	Hellman & Friedman	$ 309
Sep-13	Virtus Investment Partners, Inc.	n/a (Primary)	201
Jun-13	The Carlyle Group	California Public Employees' Retirement System	315
May-13	Oaktree Capital Group, LLC	Existing owners	431
May-13	Apollo Global Management, LLC	Abu Dhabi Investment Authority, California Public Employees' Retirement System, and existing owners	607

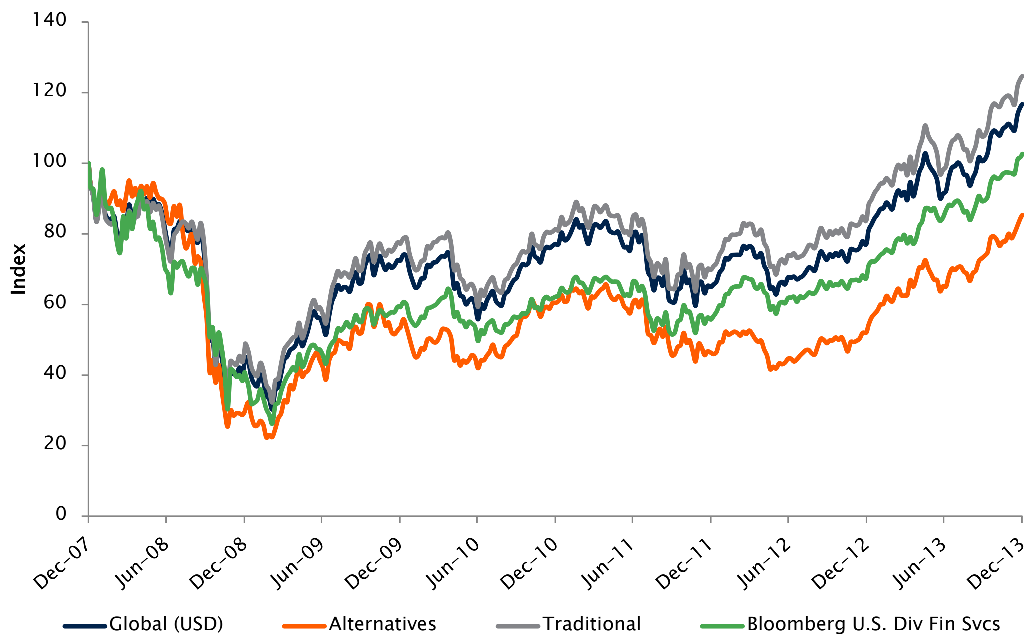
Source: Company filings, Sandler O'Neill

After the strong run-up in equities, most asset managers enter 2014 at all-time valuation highs. We expect to see more passive shareholders strongly consider selling shares of companies in their portfolios given the strong equity markets and ongoing investor demand. As a result, we expect capital raising activity from asset managers to keep pace with 2013 levels.

PRICING: Running of the Bulls

As stocks marched higher, investors poured billions into equity mutual funds and ETFs. Asset managers rode the market waves, with the Sandler O'Neill Global Asset Management Index surging 50.4%, reaching an all-time high.

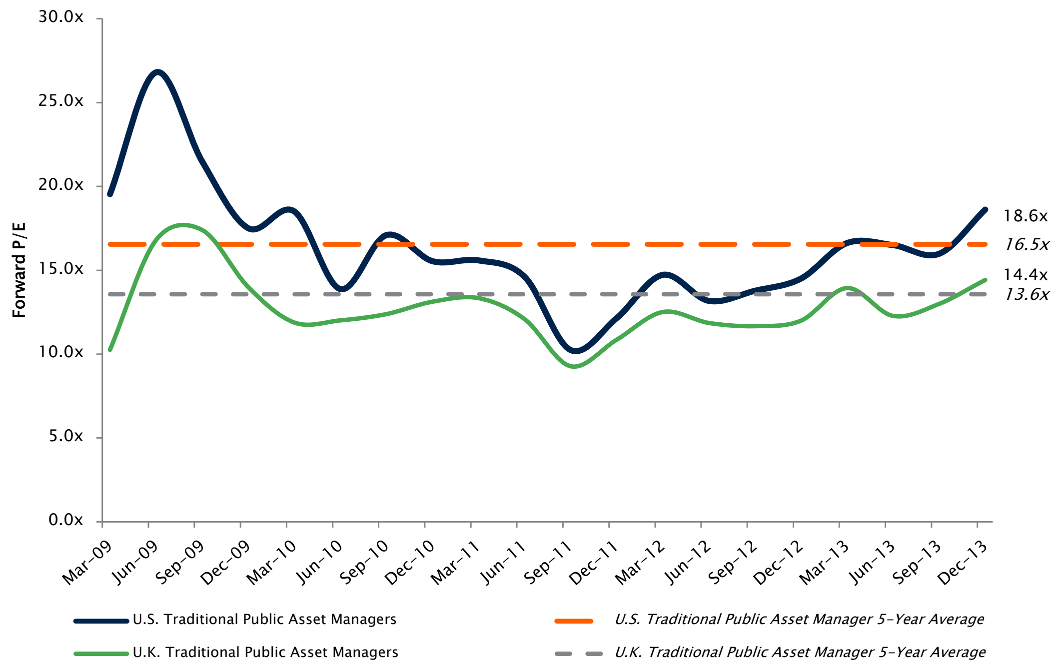
EXHIBIT 21: Sandler O'Neill's Global Asset Management Index Performance



Note: 100 = year-end 2007.
Source: Bloomberg, Sandler O'Neill

Publicly traded traditional asset managers in the U.S. were trading at 18.6 times price to forward earnings at the end of 2013, nearly 13% above the historical five-year average of 16.5 times. Forward earnings multiples for U.K. traditional managers, which continue to trail their U.S. counterparts, increased to 14.4 times, 6% above the five-year average of 13.6 times. For the first time in four years, publicly traded traditional asset managers in the U.S. and U.K. each broke through their respective five-year averages, reflecting strong organic growth and valuations hovering near all-time highs.

EXHIBIT 22: Forward Price to Earnings Ratios for U.S. and U.K. Traditional Managers



Note: Excludes outliers above 50x and below 1x.
Source: Bloomberg, Capital IQ, Sandler O'Neill

U.S. alternative asset managers traded at 10.6 times forward earnings, up 38% from 7.7 times at the beginning of 2013. The expanded multiple for alternative managers indicated a more optimistic view of realized performance fees and carry, as most alternative managers' hedge funds are above their high water marks and private equity funds are harvesting gains on the back of more robust equity markets. U.K. alternative asset managers, which primarily consist of hedge fund managers, traded up a modest 4% to 13.5 times forward earnings at the end of 2013.

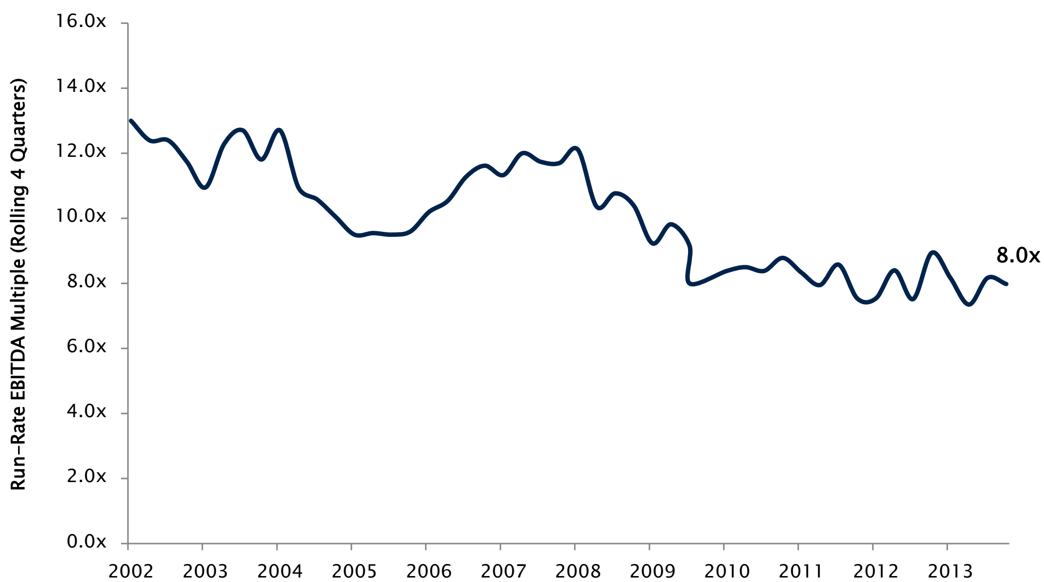
EXHIBIT 23: Median Trading Multiples of Quoted Fund Managers

	LTM P/E		1-Year Forward P/E		EV / LTM EBITDA		EV / 1-Year Forward EBITDA	
	1/1/13	12/31/13	1/1/13	12/31/13	1/1/13	12/31/13	1/1/13	12/31/13
U.S. Traditional Asset Managers	15.6x	21.7x	14.5x	18.6x	8.3x	12.1x	7.8x	10.0x
U.S. Alternative Asset Managers	9.5x	10.0x	7.7x	10.6x	9.8x	9.0x	7.0x	10.0x
U.K. Traditional Asset Managers	14.7x	15.3x	12.0x	14.4x	8.4x	7.7x	7.2x	6.6x
U.K. Alternative Asset Managers	15.6x	15.8x	13.0x	13.5x	8.6x	8.9x	6.9x	8.3x

Note: Multiples and Enterprise Values are based on 1/1/13 and 12/31/13 share prices. One-year Forward P/E multiples for 1/1/13 and 12/31/13 are based on 2013 earnings estimates and 2014 earnings estimates, respectively. EBITDA multiples for Alternative Asset Managers are derived using "Economic Net Income," where applicable.
Source: Company filings, Bloomberg, Capital IQ, Sandler O'Neill

Despite the public valuation increase experienced by the public market, acquisition multiples in the global asset management sector declined slightly in 2013. The median acquisition multiple for 2013 of 8.0 times run-rate EBITDA reflected two primary factors: (i) the uptick in divestiture activity, which we expect is temporary; and (ii) the likely increase in pricing power among the largest buyer group, pure-play asset managers. Divestitures, which typically involve consolidations of managers of mixed quality, garnered lower deal multiples of around 6.0 to 8.0 times during 2013. Conversely, strategically additive transactions attracted higher deal multiples, with pricing, on average, 30% higher than divestitures. While the median transaction multiple is 11% off of the five-year average of 9.0 times and 23% below the 10-year average of 10.4 times, we believe that, with the increase in public company valuations and greater buyer ambitions, global asset management trade sale pricing will materially strengthen in 2014.

EXHIBIT 24: Run-Rate EBITDA Multiples of Global Asset Management Trade Sales



Note: Multiples reflect four-quarter rolling medians and include all global trade sales for both traditional and alternative managers.
Source: Sandler O'Neill

CONCLUSIONS: Rowing Downstream

The asset management industry largely celebrated the strength of the equity markets and investors' initial phase of reallocation toward higher risk and higher fee strategies in 2013. Resulting revenue increases generated even greater profit growth due to the operating leverage that asset management companies enjoy. The vast majority of the industry concluded 2013 with businesses that were materially more valuable than they were at the outset of the year due to market appreciation alone. This sets up a favorable environment for deal making as potential sellers are more inclined to engage in M&A discussions having seen solid gains in their businesses since 2011. Furthermore, buyers are more confident in transacting now that markets have largely recovered from the financial crisis, economic news is generally favorable, and there is greater visibility on investor sentiment. With that as a backdrop, we expect the following to play out in the year ahead:

- ***An uptick in pricing* –** Pricing has, on average remained in the range of 8.0 to 9.0 times run-rate EBITDA in the past several years. Dispersion has been relatively high, owing mostly to divestitures where corporate sellers were more concerned with completing the sale than maximizing price. The multiples of publicly traded asset managers have historically tended to be a good leading indicator for private market pricing. As public multiples continued to improve in 2013, we expect that transaction multiples for private sales will increase in the year ahead. While it is not likely to be a massive increase, a little goes a long way creating a virtuous circle of better valuations and increased deal activity.

- ***Enlarged ambitions among buyers* –** Tactical deal making was de riguer during the recovery as few buyers were willing to make large strategic bets in the face of unstable markets, economies, and political environments. With an increase in the number of larger deals, 2013 gave us a taste of things to come in the year ahead. Capital remains cheap, CEOs and their boards are feeling bolder, and the relatively moderate M&A spell of the last five years has left a larger number of big potential buyers with thirsts that are looking to be quenched.

- ***More independent sellers will come to market*** – There has been a general reluctance among potential sellers to explore sale processes in recent years. We attribute this to three factors: (i) earnings were still recovering relative to pre-crisis levels; (ii) a view that there was limited buyer demand; and (iii) a desire not to be distracted from rebuilding business momentum. As rising tides lift all boats, we believe that independents, long the staple of the asset management M&A market, will look to take advantage of their improved conditions and not just be open to buyer inquiries, but increasingly pro-actively test the market to find attractive counterparties to solve their strategic objectives and liquidity needs.

- ***Focused competition for assets* –** With the expectation of another modest uptick in deal volume in the year ahead, we anticipate that competition amongst buyers for any particular target will also increase. While buyers remain disciplined and focused in their acquisition strategies, a larger number are more inclined to make deals now than at any time since the financial crisis, which leads to greater market demand for acquisition targets.

- ***A steady stream of divestitures* –** A large number of corporate owners of asset managers have continued to relinquish the businesses whose recurring fee streams and low capital requirements they so cherished not long ago. Capital needs, greater regulatory demands and divergent business models continue to catalyze divestiture activity well past the financial crisis. Surveying the market, we believe that the return to normal divestiture levels still sits in the distance as owners of asset management businesses large and small remained disciplined and undistracted in executing the plans to exit or reshape their businesses, despite the natural temptation to enjoy the cash flow expansions from improving markets.

- ***Greater cross-border activity* –** As the industry continues to globalize, buyers and sellers alike will seek opportunities to expand their footprints, either to tap new markets or to leverage their distribution to deliver a broader array of products into their existing markets. Given the cost and uncertainty of building, the economics of buying into a new market are more compelling and will lead to increases in cross-border activity. We expect intracontinental and transatlantic activity to represent the majority of deal flow but as Asian markets evolve, we expect the participants in those markets to play a greater role in cross-border activities in the coming years.

Appendix

EXHIBIT 25: Stock Performance of the Largest Quoted Fund Managers Worldwide, 2013

Company	Country	Market Cap US$(MM)	2013 % Price Change (Native Currency)	% Change Since 52-Week Low	12/31/2013 Stock Price as a % of 52-Week High
WisdomTree Investments, Inc.	U.S.	$ 2,308	189%	186%	98%
Polar Capital Holdings plc	U.K.	662	146%	144%	95%
Pzena Investment Management	U.S.	143	126%	125%	99%
The Blackstone Group L.P.	U.S.	17,466	114%	94%	97%
Apollo Global Management, LLC	U.S.	4,543	112%	78%	91%
Fortress Investment Group LLC	U.S.	2,051	101%	94%	94%
Fiera Capital Corporation	Canada	906	97%	94%	91%
Waddell & Reed Financial, Inc.	U.S.	5,534	92%	82%	98%
Azimut Holding Spa	Italy	3,608	89%	81%	100%
Platinum Asset Management Ltd.	Australia	3,566	80%	74%	99%
Henderson Group plc	U.K.	3,989	80%	69%	100%
Och-Ziff Capital Management Group LLC	U.S.	2,511	78%	70%	98%
Kohlberg Kravis Roberts & Co.	U.S.	7,013	74%	58%	94%
Legg Mason, Inc.	U.S.	5,179	72%	71%	99%
Affiliated Managers Group, Inc.	U.S.	11,490	67%	63%	100%
GAMCO Investors, Inc.	U.S.	2,219	66%	95%	98%
Virtus Investment Partners, Inc.	U.S.	1,821	65%	65%	80%
Schroders plc	U.K.	11,745	57%	53%	96%
BlackRock, Inc.	U.S.	53,396	57%	52%	98%
SOP Global Asset Management Index			**50%**	**50%**	**100%**
Janus Capital Group, Inc.	U.S.	2,324	48%	56%	96%
Federated Investors, Inc.	U.S.	2,986	48%	38%	92%
AGF Management Ltd.	Canada	1,054	47%	43%	88%
CI Financial Corp.	Canada	9,456	47%	43%	99%
Manning & Napier, Inc.	U.S.	237	46%	37%	85%
GAM Holding AG	Switzerland	3,177	45%	40%	97%
Perpetual Limited	Australia	1,870	44%	42%	99%
Invesco Ltd.	U.S.	16,135	43%	43%	99%
The Carlyle Group LP	U.S.	1,756	43%	49%	94%
Jupiter Fund Management plc	U.K.	2,783	42%	42%	95%
Oaktree Capital Group, LLC	U.S.	2,250	41%	30%	99%
Aberdeen Asset Management plc	U.K.	9,518	41%	46%	100%
Franklin Resources, Inc.	U.S.	36,419	39%	35%	100%
Cohen & Steers, Inc.	U.S.	1,773	38%	37%	90%
Eaton Vance Corp.	U.S.	5,175	36%	32%	95%
S&P 500 Index (Total Return Gross)			**32%**	**32%**	**100%**
T. Rowe Price Group, Inc.	U.S.	21,967	31%	27%	100%
AllianceBernstein Holding L.P.	U.S.	1,965	31%	21%	78%
Value Partners Group Ltd.	Hong Kong	1,358	21%	57%	98%
Calamos Asset Management, Inc.	U.S.	240	18%	24%	95%
Ashmore Group plc	U.K.	4,468	16%	26%	92%
Partners Group Holding	Switzerland	6,877	16%	14%	87%
Man Group plc	U.K.	2,508	13%	11%	63%
F&C Asset Management plc	U.K.	875	(7%)	4%	82%
Sprott Inc.	Canada	611	(31%)	19%	61%
Artisan Partners Asset Management Inc.	U.S.	1,294	N/A	81%	99%
Silvercrest Asset Management Group Inc.	U.S.	204	N/A	52%	95%

Note: Artisan Partners Asset Management and Silvercrest Asset Management not included in price change ranking due to IPOs during 2013.
Source: Company filings, Capital IQ, Sandler O'Neill

EXHIBIT 26: Largest Asset Management Deals by Transacted AUM, 2013

Date	Target	Country	Type	Acquirer	Country	AUM ($MM)	% Acquired
Feb-13	Robeco Groep, N.V.	Netherlands	Div	ORIX Corporation	Japan	$ 244,230	90%
Nov-13	Scottish Widows Investment Partnership Group Limited	U.K.	Div	Aberdeen Asset Management Plc	U.K.	219,154	100%
May-13	Santander Asset Management	Spain	Div	Warburg Pincus, General Atlantic	U.S.	197,250	50%
Jun-13	The Carlyle Group	U.S.	Alt	Follow-on Offering	U.S.	176,313	4%
May-13	Apollo Global Management, LLC	U.S.	Alt	Follow-on Offering	U.S.	114,000	17%
Mar-13	Investec Asset Management	South Africa	Div	MBO (senior management team)	South Africa	103,009	15%
Sep-13	Dexia Asset Management	Belgium	Div	New York Life Insurance Co.	U.S.	99,819	100%
Mar-13	Artisan Partners Asset Management Inc.	U.S.	Div	IPO	U.S.	79,500	18%
May-13	Oaktree Capital Group, LLC	U.S.	Alt	Follow-on Offering	U.S.	78,801	5%
Jul-13	Ares Management LLC	U.S.	Alt	Alleghany Corporation	U.S.	66,000	6%

Source: Sandler O'Neill

EXHIBIT 27: All-Time Largest Asset Management Deals by Transacted AUM

Date	Target	Country	Type	Acquirer	Country	AUM ($MM)	% Acquired
Jun-09	Barclays Global Investors	U.S.	Div	BlackRock Inc.	U.S.	$ 1,440,000	100%
Dec-06	Mellon Financial Corporation Inc.	U.S.	Div	Bank of New York Company, Inc.	U.S.	947,000	100%
Jan-09	Société Générale Asset Management	France	Div	Crédit Agricole SA	France	838,651	100%
Feb-06	Merrill Lynch Investment Managers	U.S.	Div	BlackRock Inc.	U.S.	544,000	100%
Jun-05	Citigroup Asset Management	U.S.	Div	Legg Mason	U.S.	437,000	100%
Sep-01	Zurich Scudder Investments	U.S.	Div	Deutsche Bank AG	Germany	278,000	100%
Nov-99	PIMCO Advisors L.P.	U.S.	Inst	Allianz AG	Germany	256,153	69%
Feb-13	Robeco Groep, N.V.	Netherlands	Div	ORIX Corporation	Japan	244,230	90%
Oct-08	Aberdeen Asset Management plc	U.K.	Div	Mitsubishi UFJ Financial Group Inc.	Japan	226,300	10%
Nov-13	Scottish Widows Investment Partnership Group Limited	U.K.	Div	Aberdeen Asset Management Plc	U.K.	219,154	100%

Source: Sandler O'Neill

EXHIBIT 28: Largest Asset Management Deals by Disclosed Deal Value, 2013

Date	Target	Country	Type	Acquirer	Country	DDV ($MM)	% Acquired
Feb-13	Robeco Groep, N.V.	Netherlands	Div	ORIX Corporation	Japan	$ 2,582	90%
May-13	Santander Asset Management	Spain	Div	Warburg Pincus, General Atlantic	U.S.	1,152	50%
Nov-13	Scottish Widows Investment Partnership Group Limited	U.K.	Div	Aberdeen Asset Management Plc	U.K.	1,047	100%
Mar-13	Cazenove Capital Holdings Ltd.	U.K.	PvtCl	Schroders Plc	U.K.	646	100%
May-13	Apollo Global Management, LLC	U.S.	Alt	Follow-on Offering	U.S.	607	17%
Sep-13	Dexia Asset Management	Belgium	Div	New York Life Insurance Co.	U.S.	513	100%
Mar-13	AXA Investment Managers Private Equity SA	France	Alt	Investor group (AXA PE senior management and institutions)	France	454	69%
May-13	Oaktree Capital Group, LLC	U.S.	Alt	Follow-on Offering	U.S.	431	5%
Mar-13	Genworth Wealth Management	U.S.	PvtCl	Aquiline Capital Partners and Genstar Capital	U.S.	413	100%
Mar-13	Artisan Partners Asset Management Inc.	U.S.	Div	IPO	U.S.	381	18%

Source: Sandler O'Neill

EXHIBIT 29: All-Time Largest Asset Management Deals by Disclosed Deal Value

Date	Target	Country	Type	Acquirer	Country	DDV ($MM)	% Acquired
Dec-06	Mellon Financial Corporation Inc.	U.S.	Div	Bank of New York Company, Inc.	U.S.	$ 17,619	100%
Jun-09	Barclays Global Investors	U.S.	Div	BlackRock Inc.	U.S.	13,502	100%
Feb-06	Merrill Lynch Investment Managers	U.S.	Div	BlackRock Inc.	U.S.	9,602	100%
Jun-07	Nuveen Investments Inc.	U.S.	Div	MBO (Madison Dearborn Partners, LLC)	U.S.	5,750	100%
Sep-97	Mercury Asset Management	U.K.	Inst	Merrill Lynch & Co.	U.S.	5,326	100%
Sep-05	Global Asset Management & 3 private banks	Switzerland	Alt	Julius Baer Holding AG	Switzerland	4,600	100%
Jun-07	The Blackstone Group	U.S.	Alt	IPO	U.S.	4,130	12%
Apr-00	Robert Fleming Holdings Limited	U.K.	Div	Chase Manhattan Corp.	U.S.	4,100	100%
Feb-07	Putnam Investments	U.S.	MuFu	Power Financial Corporation	Canada	3,900	100%
Jun-05	Citigroup Asset Management	U.S.	Div	Legg Mason, Inc.	U.S.	3,700	100%

Source: Sandler O'Neill

* * *

General Information and Disclaimers

This report has been prepared and issued by the Asset Management Investment Banking Group of Sandler O'Neill + Partners, L.P., a registered broker-dealer and a member of the Financial Industry Regulatory Authority, Inc. The information contained in this report (except information regarding Sandler O'Neill and its affiliates) was obtained from various sources that we believe to be reliable, but we do not guarantee its accuracy or completeness. Additional information is available upon request. The information and opinions contained in this report speak only as of the date of this report and are subject to change without notice. Contact information for Sandler O'Neill and the authors of this report is available at www.sandleroneill.com.

This report has been prepared and circulated for general information only and presents the author's views of general market and economic conditions and specific industries and/or sectors. This report is not intended to and does not provide a recommendation with respect to any security. This report does not take into account the financial position or particular needs or investment objectives of any individual or entity. The investment strategies, if any, discussed in this report may not be suitable for all investors. Investors must make their own determinations of the appropriateness of an investment strategy and an investment in any particular securities based upon the legal, tax and accounting considerations applicable to such investors and their own investment objective. Investors are cautioned that statements regarding future prospects may not be realized and that past performance is not necessarily indicative of future performance.

This report does not constitute an offer, or a solicitation of an offer, to buy or sell any securities or other financial instruments, including any securities mentioned in this report. Nothing in this report constitutes or should be construed to be accounting, tax, investment or legal advice.

Neither this report, nor any portion thereof, may be reproduced or redistributed by any person for any purpose without the written consent of Sandler O'Neill.

Sandler O'Neill is proud to have advised on or managed the following asset management transactions in 2013:

December 2013

KKR

KKR Financial Holdings LLC

has been acquired by

KKR

$2,600,000,000

Financial Advisor to KKR Financial Holdings

November 2013

SNOWDEN

has received a strategic growth capital investment from

ESTANCIA CAPITAL PARTNERS

Placement Agent and Financial Advisor to Snowden Capital Advisors

October 2013

ARTISAN PARTNERS ASSET MANAGEMENT

Follow-on Offering

$309,120,000

Co-Manager

September 2013

VIRTUS INVESTMENT PARTNERS

Follow-on Offering

$201,249,830

Co-Manager

June 2013

SILVERCREST ASSET MANAGEMENT GROUP

Initial Public Offering

$60,602,157

Lead Bookrunner

May 2013

OAKTREE

Follow-on Offering

$430,675,000

Co-Manager

April 2013

CREDIT SUISSE

has sold Strategic Partners to

Blackstone

Financial Advisor to Strategic Partners

March 2013

HF2 Financial Management, Inc.

Initial Public Offering

$175,950,000

Bookrunner

March 2013

ARTISAN PARTNERS ASSET MANAGEMENT

Initial Public Offering

$381,368,382

Co-Manager

March 2013

Equities Fixed Income Real Estate Principal® Global Investors

has acquired a majority stake in

Liongate Capital Management

Financial Advisor to Principal Global Investors