BERKSHIRE GLOBAL ADVISORS

2026 Midyear Report

The first half was defined by several major asset management deals on both sides of the Atlantic, continued activity within private markets and wealth M&A that shows no signs of slowing.

AI investment boom eclipses some mighty reference points

In the five years through 2024, non-financial capital spending in the U.S. averaged $2.6 trillion annually, according to the Federal Reserve Bank of St. Louis. This year, just four companies are planning to spend some $670 billion. The four happen to be among the biggest technology companies in the world, and their focus is mainly on artificial intelligence infrastructure. Amazon is leading the pack, with a projected $200 billion in capex, followed by Alphabet, Microsoft and Meta.

That spending comes on top of a total of $380 billion from the four in 2025. For Alphabet, which projects a capex of $185 billion this year, about 60% will go toward servers and the rest on data centers and networking equipment. In December 2025, Alphabet paid $4.8 billion for a U.S. data center and energy infrastructure provider, Intersect.

As a percentage of GDP, the Wall Street Journal declared the level of spending to be greater than the railroad boom of the 1850s and far more than the postwar spending on the U.S. interstate system and the Apollo space program, surpassed only by the massive 1803 Louisiana Purchase. “AI is maybe the most visibly impressive innovation of the last 100 years, perhaps of a magnitude equal to the railways of the 19th century," wrote **GMO** Chairman Jeremy Grantham last January. "It should not be surprising that it appears to be moving through the same pattern both rapidly and powerfully."

"Long before generative AI captured the public imagination, advances in data science and computing were transforming how investors analyze markets, manage risk, and allocate capital," wrote **BlackRock** Chairman and CEO Larry Fink in his March shareholder letter. "One result has been the growth of systematic investing.... As these tools become more powerful, we believe the combination of systematic insight and human oversight will help define the next era of investing."

S&P Global Ratings projects that spending globally on data centers will total $1.5 trillion over the rest of the decade, 60% in the U.S., where the centers could account for 14% of power demand by 2030, up six percentage points from 2024. At the same time, the ratings agency warns about the leverage piling up to support the growth, as well as the "counterparty and opacity risks within contracts." Alphabet, for one, took on more than $32 billion in AI infrastructure-related debt in the first quarter, including a vastly oversubscribed £1 billion ($1.4 billion) 100-year bond yielding 6.1%. In the first quarter, data centers accounted for two-thirds of digital infrastructure deal count as well as deal value, according to Preqin.

Worldwide, data centers have a 97% occupancy rate, providing owners with "negotiating leverage" that **JLL** figures will deliver "significant rent growth" through 2030. JLL projects nearly 100 gigawatts (GWs) of new data centers will be added between this year and 2030, doubling global capacity and creating $1.2 trillion in real estate value. "Hyperscalers will remain a key driver of sector growth, executing a dual strategy of leasing and self-building," writes JLL, defining a "capital-intensive supercycle" with up to $3 trillion in combined real estate and tenant capex by 2030.

Prologis, which rode the boom in warehouse demand to its advantage, is setting its sights more aggressively on data centers, aiming to spend $8 billion over the next four years to build 20 such facilities. In February, **KKR** teamed with Singapore telecommunications company Singtel to pay S$6.6 billion (US$5.1 billion) for ST Telemedia Global Data Centres Singapore, which delivers 2.3 GWs of power in Asia-Pacific and Europe. KKR, which took a 75% stake, called the deal "a rare opportunity to further support a high-quality platform" in digital infrastructure, "one of the most compelling long-term investment themes globally."

The same month, **Blackstone**, with a data center portfolio that spans more than 26 locations globally, joined a co-investor to provide $600 million of equity capital to India's Neysa, which designs and develops AI infrastructure for that market. Blackstone followed that by announcing a $5 billion investment into a joint venture with Alphabet's Google unit to deliver 500 megawatts of data center capacity as well as other technology services. "We see a generational opportunity to invest capital at scale building AI infrastructure," said Blackstone President and COO Jon Gray.

In March, BlackRock, through its **Global Infrastructure Partners** unit, **EQT** and two other institutions agreed to pay $10.7 billion for Midwest utility AES. AES cited the "significant need for capital" to keep up with demand, noting that without this deal it would likely have reduced or eliminated its dividend and been forced to issue more equity.

Infrastructure was the star performer for Blackstone in the first quarter and the latest 12-month period, with returns of 7.8% and 24.8%, respectively. The company's overall inflows in the first quarter were also strong, at $69 billion, more than half in its credit and insurance unit, while AUM rose 12% to $1.3 trillion.

The share prices for alternatives firms such as Blackstone were another matter. Battered by fears about the disruptive power of AI and the impact on the investment portfolios of alternatives managers — in particular private credit portfolios laden with software companies — the stock prices of the major U.S managers were down between 21% and 44% by early April and remained underwater through the first half. The shares of their European peers such as EQT and **CVC Capital Partners** weren't faring much better.

During EQT's first-quarter conference call, CEO Per Franzen emphasized that software represents just 7% of fee-based AUM and that those investments are focused in "mission critical" B2B enterprise software companies that "are really deeply embedded into the workflow of their clients, supported by proprietary data, and are really incredibly difficult to displace. These software companies will be the primary diffusion mechanism for AI into large organizations."

Infrastructure fundraising recovers

The massive spending on AI-related infrastructure, combined with traditional spending in such areas as transportation and energy, is naturally firing up infrastructure asset managers, which have emerged in recent years as attractive targets. Beginning in 2023, deal-making for infrastructure asset managers picked up considerably, totaling 37 between 2023 and 2025 compared with 10 in 2021-2022. (The totals exclude managers with less than $250 million in AUM.) This has included a number of deals of $1 billion or more.

37 Number of deals for infrastructure asset managers, 2023-25

As 2026 began, the industry was coming off a “record-shattering” fundraising year of $217 billion, according to Institutional Real Estate (IRE), greater than the combined total in 2023-2024 ($178 billion). Global mandates accounted for three-quarters of the total last year while the average closing time was 27.6 months, up from 25.2 in 2024.

In its latest report on the sector, BCG notes that as fundraising recovered last year the biggest funds benefitted the most, with the top-five capturing 50% of allocations and the top-50 three-quarters. “This is likely not only the result of the larger funds’ well-trained fundraising muscle but also of a relatively stronger track record in recent years for deploying capital and providing less volatile returns,” the consultant wrote.

Infrastructure was the fastest-growing alternatives class by AUM between 2020 and 2025, according to BCG, increasing at an 11% annual clip, one percentage point ahead of private credit. Returns have also been impressive, with funds from the most recent vintage year of 2022 (based on available data) delivering a net internal rate of return of 11%. “From a risk perspective, returns from infrastructure funds have been considerably less volatile than those of private equity funds, although the last couple of years saw volatility increase somewhat,” wrote BCG.

In its commentary released at the end of the first quarter, **CBRE Investment Management** said fundraising as well as deployment “remain healthy, although capital increasingly gravitates towards AI and data center themes.” Although IRE noted that there are 10 active funds seeking $20 billion or more, fundraising in the first quarter was just $32 billion — about half the amount during the year-earlier period and the lowest first-quarter total since 2023.

I Squared Capital added to the total in April when it closed its fourth infrastructure flagship fund, of $15 billion. That diversified global fund is aiming for a net internal rate of return of 11% to 16%. In discussing risk management with Barron’s in March, I Squared founder and Chairman Sadek Wahba said the firm builds portfolios “with projects that are uncorrelated to one another. I don’t want to find myself exposed to a single risk by having concentration in a certain sector.”

Deal-making for infrastructure managers in the first half was led by one major transaction: **DigitalBridge Group**’s acquisition of **ArcLight Capital Partners**, with a potential price above $1 billion, including a contingent payment of up to $400 million. The deal merges DigitalBridge’s digital and data center focus with ArcLight’s investments in power and electric infrastructure, underlining the critical nature of those links. DigitalBridge said the combination “forms a leading alternative assets manager at the convergence of power, AI and digital infrastructure” with total assets of $150 billion. The deal is conditioned on the completion of the acquisition of DigitalBridge announced in December 2025 by an affiliate of **SoftBank Group**.

One interesting buyer was **Liberty Mutual Investments**, which made a minority investment in **Mascarene Partners**. Mascarene, launched in December 2024, quickly gains a long-term capital partner in LMI, the investment arm of insurer **Liberty Mutual**. The company said LMI’s investment is “testament to the differentiated strategy we are building” focused on the “fragmented” transportation and industrial sectors in North America. LMI was an investor in Mascarene’s first deal in 2025 for a waste-services transportation company. LMI also has an existing energy and infrastructure fund that invests in such assets as geothermal plants and AI.

Within Europe, **Bankinter Investment** of Spain cut two deals with established firms to expand its infrastructure and other alternative capabilities, one with another Spanish firm, **Plenium Partners**, a specialist in sustainable energy and social infrastructure (such as student housing). In the second, Bankinter acquired a “significant stake” in **Access Capital Partners** of Paris, an infrastructure and private equity firm with €9 billion ($10.5 billion) in AUM. Bankinter had investment relationships with both firms prior to the deals.

There were two notable deals by alternatives firms for data center developers, including Blackstone’s purchase of a “significant” stake in **Rowan Digital Infrastructure**, a hyperscale developer. The deal reportedly valued Rowan at $3.8 billion, excluding debt. Rowan, also backed by energy transition investor **Quinbrook**, develops 300 megawatt (MW) to one-plus gigawatt campuses. Earlier this year, Rowan broke ground on a central Texas site that will deliver 300 MWs of power.

In Europe, **3i Infrastructure** of the UK paid €400 million for a majority stake in Norway’s **Lefdal Mine Datacenter** plus a small portfolio of operating renewable assets. LMD has 37 MWs of operational capacity located in a former mine and 43 MWs of contracted capacity under construction. The transaction was concluded with **Columbia Threadneedle Investments**, which held the investment through one of its funds.

BDCs take a hit

Private credit managers operating through business development companies along with publicly traded alternatives firms took a hit as the new year kicked off, with investors fretting about the impact of AI on the software industry. The spark was the introduction by AI firm Anthropic of new tools that automate legal services — suggesting an emerging threat to the fortunes of a range of indebted enterprise software firms.

A **UBS** analyst followed with warnings that AI disruption puts between $75 billion and $120 billion in private loans at risk of defaulting this year. “We’re pricing in part of what we call a rapid, aggressive disruption scenario,” the analyst told CNBC. For the 17 BDCs publicly rated by S&P Global Ratings, software represents the largest single industry exposure, averaging 20%. By early February, five of those funds cited by Barron’s were trading at discounts to net asset value of between 6% and 42% while offering double-digit dividend yields, including 22% for one such fund.

20%

Exposure to software of the 17 BDCs rated by S&P Global

The turbulence forced BlackRock to limit redemptions for the first time from its HPS Corporate Lending fund after the total topped the 5% framework, reaching 9.3% of outstanding shares. Blackstone took a different tack, meeting all withdrawal requests from its private credit BDC, representing 7.9% of shares, and using its own capital to meet some of that demand. **Cliffwater**’s flagship private credit fund was hit by redemption requests totaling 17% of shares in the second quarter, according to Bloomberg, well above the 5% cap.

As those sell orders poured in, they highlighted the potential flip side of the race to pull retail investors into private markets: the tendency of many to flee at the first sign of trouble. “I think the lesson primarily is that these are not institutional clients who are going to be thoughtful and predictable in terms of how they invest in your product,” **Hightower Advisors** Managing Director Omar Qureshi told PitchBook. “Financial advisors, sadly, are not any better as a category in making prudent, thoughtful decisions.”

In a quarterly earnings call in February, **Ridgepost Capital** Chairman and CEO Luke Sarsfield made sure to inform analysts that its newly acquired credit manager, **Stellus Capital Management**, had exposure of less than 8% to the software sector and other areas that could be “disintermediated by AI.” He added that the exposure Ridgepost itself has falls outside the large-cap firms and “is focused on advancing what I would call traditional industrial and industrial-like businesses in the middle and lower middle market.”

For its part, **Fitch Ratings** noted that while individual BDCs might have sizable software exposure, the publicly traded alternatives managers' portfolios as a whole "are generally more diversified, with software representing roughly 2% to 11% of assets under management" (as of 2025).

The early market panic had no apparent impact on dealmakers, who continued to add private credit capabilities to their portfolios. For Ridgepost, rebranded this year from P10, Stellus enhances a credit portfolio that accounted for around 16% of its $43 billion in AUM prior to the deal, private equity comprising the majority. Stellus recorded a near doubling of AUM between 2021 and 2025 to $3.8 billion. Ridgeport paid $250 million in cash and equity and could pay another $60 million based on performance.

Ridgepost-owned permanent capital provider **Bonaccord Capital Partners** made minority investments in two firms, the first involving an increase in its existing stake in **Park Square Capital** (AUM: $19 billion) of the UK. The second deal targeted a top-10 commercial U.S. real estate credit firm, **Prime Finance** (AUM: $15 billion). Bonaccord has a total of 17 alternatives firms in its portfolio.

Three major publicly traded alternatives managers tapped the market to add capabilities. A transatlantic deal saw CVC Capital Partners pay $1.2 billion in cash and shares for **Marathon Asset Management**, with an earnout that could bump the price by another $400 million. Marathon delivers $24 billion in diversified credit AUM to bring CVC's fee-generating credit portfolio to €65 billion ($75 billion). Marathon also fills a gap in CVC's credit portfolio by adding a U.S. presence, a market the company called "a clear priority." CVC is a top-three private credit manager in Europe and the No. 1 CLO manager.

Ares Management Corp. formed a joint venture with **Goal Investment Management** via its Alternative Credit funds business. The deal merges Ares' capital with Goal's operational and underwriting experience acquiring and managing portfolios of consumer loans. In the third transaction involving a public alternatives manager, **TPG** paid $500 million for a 6.5% stake in retail annuity provider **Jackson Financial**. As part of the deal, TPG will manage at least $12 billion of assets for Jackson with a longer-term target of $20 billion.

New York Life Investment Management and its European affiliate, **Candriam**, boosted their 33% shareholding in European lower-middle-market manager **Kartesia** to 80%. Kartesia, with €7.5 billion in AUM, has delivered a 14% internal rate of return over the years. The deal marked NYLIM's first since late 2024, when it made a minority investment in European private equity manager **Andera Partners**. **5C Investment Partners** formed a "strategic partnership" with sovereign wealth fund **Qatar Investment Authority** that includes an investment from QIA. Started up in 2024 by **Goldman Sachs** alumni, 5C has $3 billion in investible capital and targets upper-middle-market companies in "recession-resistant" industries.

AI rocks wealth

BDCs weren't the only securities rocked by AI in the first quarter. The publicly traded wealth managers also suffered a jolt when **Altruist** introduced tax planning updates to its Hazel AI platform. Altruist said the update allows advisors to "create fully personalized tax strategies," expanding "what a single advisor can handle" and raising the "bar on outcomes." While Altruist emphasized efficiency, investors wondered more broadly about the impact of low-cost and powerful AI tools on the fortunes of traditional wealth managers.

But in an interview with Bloomberg TV, Altruist CEO Jason Wenk downplayed the threat, saying, "We're not trying to displace financial advisors or wealth managers. It's not AI taking those jobs away, it's AI to help empower them to do better work for their clients." But, he added, the new tool "is a harbinger of the things that will come. They'll be more agents doing more work that will continue to make advice better, more affordable and more accessible."

> **We're not trying to displace financial advisors or wealth managers**
>
> **— Jason Wenk, Altruist CEO**

Charles Schwab CEO Rick Wurster was more upbeat than investors were at that moment when he spoke to Bloomberg. "AI is a real accelerant, so it was puzzling to see our stock sell off, because we're benefitting from it in multiple ways and bringing it to our clients," he said. "It's allowing us to reach new clients, and I think that's why you won't see the population of advisors shrink. AI will be useful in reaching new clients that we couldn't before."

In May, the company introduced its first generative AI tools for retail investors, delivering daily tailored summaries of portfolio performance and related market news and Schwab commentary. "Our clients have made it clear that they want the efficiency of AI combined with guidance from our professionals," the company said.

The concerns of investors notwithstanding, U.S. wealth managers coming off a record-smashing 2025 for M&A remained hot commodities in the new year. In its review of 2025, **Fidelity Investments** noted that the top-20 most active acquirers in the U.S. accounted for 57% of the announced deals it tabulated, led by **Wealth Enhancement Group** with 14, and 55% of purchased assets. All 20 are backed by private equity players, with some of those firms bankrolling more than one of those wealth managers. (Fidelity itself reported a record year for operating income and revenue on double-digit gains while total assets rose 19% to $18 trillion.)

In the first quarter, there were 125 deals in the U.S. involving firms with $100 million or more in AUM, according to data from **Berkshire Global Advisors** and other sources, a stunning number that strongly suggests another record year in 2026. Once again, strategic acquirers accounted for the lion's share of the first-quarter transactions. One of the more active buyers in recent years, **Savant Wealth Management**, was notable for making its largest-ever deal in acquiring **Heritage Financial Services**, a Massachusetts firm that had only recently celebrated its 30th anniversary. Heritage, with $3.9 billion in AUM, expands Savant's footprint in that state. In 2025, Savant made four acquisitions.

Savant was joined by **Captrust Financial Advisors**, which made multiple deals in the first half, including a Kansas City firm, **Meritage Portfolio Management**, with $2.4 billion in assets. North Carolina-based Captrust has made several acquisitions of firms in Kansas City, which it called "a key growth market." Among the largest firms, **Corient** cut a small but strategic deal for a Silicon Valley firm, **Palo Alto Wealth Advisors**. Palo Alto has $770 million in AUM. The addition enhances Corient's footprint in Silicon Valley and the larger California market. "Corient has deep expertise serving founders and entrepreneurs, including a substantial number of technology leaders," said Corient CEO Kurt MacAlpine. Corient passed the $500 billion mark in assets in the second quarter when it closed the acquisitions of two UK-based firms made last year. Corient is part of **CI Financial**, which was taken private in 2024 by **Mubadala Investment Company**.

Hightower Signature Wealth made its first acquisition, of **Journey Strategic Wealth**, a New Jersey firm with $5 billion in AUM. "The future of wealth management belongs to firms that deliver personalization at scale, comprehensive services, and an integrated client experience," said Penny Phillips, Journey co-founder and president. HSW was started by serial acquirer Hightower Advisors in late 2025 as an employee-based firm-within-a-firm, designed to wrap partner firms into a more centrally run and recognized brand providing a range of services. At the time of the deal in February, HSW already had $20 billion in AUM.

Private equity firms continue to invest in the industry. A major such player, **Constellation Wealth Capital**, added a 15th firm to its portfolio of wealth managers by acquiring a minority stake in **BIP Wealth** of Atlanta. BIP has $5.5 billion in AUM and has itself done two acquisitions, including one last year of another Georgia firm with $900 million in AUM. CWC President Karl Heckenberg praised BIP's "impressive organic growth and dedication to clients."

Carlyle assumed a majority stake in **MAI Capital Management**, building on an investment made in 2021 through one of its portfolio companies. The deal valued MAI, with more than $70 billion in assets (mostly managed), at $2.8 billion. In the UK, **Stone Point Capital** invested in **Amber River**, a national firm centered around 13 hubs with £13.6 billion ($18.3 billion) in assets and 80,000 clients. In Australia, **Bain Capital** paid around A$500 million (US$360 million) for **Perpetual Wealth Management**, gaining a foothold in that nation's attractive wealth market. PWM, part of multi-boutique manager **Perpetual Group**, has A$22 billion in assets.

The UK factored into the largest first-half deal: **NatWest**'s £2.7 billion ($3.7 billion) cash acquisition of **Evelyn Partners**. The valuation was placed at an EV to EBITDA multiple of 9.7 times based on 2025 results and including cost synergies. The bank cut the deal with Evelyn investors **Permira** and **Warburg Pincus**. Since Permira's initial investment in 2014, Evelyn's assets have grown from £5 billion to £69 billion, driven by organic growth and acquisitions. To that total, NatWest adds

£59 billion, creating the UK's "leading private banking and wealth management business."

While Evelyn tends to serve mass affluent and high-net-worth clients, NatWest's **Coutts** business handles a generally more affluent segment. The deal follows the £5.4 billion take-private transaction closed last year by CVC Capital Partners and other investors of **Hargreaves Lansdown**, a leading platform for investors that also offers advisory services but on a smaller scale than Evelyn.

In the retirement space, a second notable UK transaction saw **Standard Life** pay £2 billion in cash and shares for **Aegon**'s UK pension business, a deal that also left the Dutch firm a "strategic shareholder" with a 15% stake. The addition of **Aegon UK** delivers £160 billion in assets under administration and 3.8 million customers to bring Standard Life's totals to some £500 billion and 16 million, making it the UK's largest retirement savings and income business. The business is made up of workplace and retail defined contribution plans.

Washing its hands of the public

Mister Car Wash may not be a household name in investor circles or even among car owners, but in February the U.S. national car wash brand made news when it agreed to be taken private by **Leonard Green & Partners** for $3.1 billion, marking a return of the onetime private owner and majority shareholder. While Mister Car Wash said the deal will allow it to invest "more boldly" in its stores, the company's six-year run on **Nasdaq** was disappointing, with the stock off more than 50% from its IPO pricing even as it delivered steady growth.

Mister Car Wash was one of $320 billion worth of private equity-driven deals worldwide in the first quarter, a 41% increase over the same period in 2025 and accounting for 27% of the $1.2 trillion in all M&A deals, according to **LSEG**. Those early months built on a 2025 in which "private equity started to build some momentum," as described by Bain & Company in a review of the year, after "three years in the relative doldrums." Interest rate cuts, aging dry powder, and "ripe conditions for large public-to-private deals" boosted buyout value by 44% to $904 billion while exit value rose 47% to $717 billion.

But the consultant did raise some red flags. "As impressive as those headline numbers are, the activity was concentrated and didn't contribute much to solving some of the buyout industry's most stubborn challenges," Bain wrote, noting that 13 deals of $10 billion or more accounted for 69% of the growth in value. The industry's average holding period for assets is around seven years compared with 6.1 at the start of this decade (2010: five years) while the share of companies held more than five years has climbed by eight percentage points to 39%. Distributions as a percentage of net asset value remained below 15% for an industry-record fourth consecutive year.

At $155 billion in the first three months of this year, fundraising declined 10% from the year-earlier period, with North America accounting for 63% and Europe-focused funds 18%, according to Preqin. KKR added to the total in April when it closed the largest-ever fund focused on North America, with $23 billion in capital. That same month, EQT raised an oversubscribed $15.6 billion Asia-Pacific fund. Blackstone added a $13.1 billion Asia fund in May, the firm's largest-ever private equity fund in the region. Meanwhile, the volume of global exits in the first quarter fell 6.3% year-over-year to 720, according to **S&P Global**, with secondary buyouts accounting for 20%.

The industry itself recorded two $1 billion-plus deals in the first half featuring publicly traded alternatives giants on both sides of the Atlantic. EQT accounted for one, paying $3.2 billion for **Coller Capital** of the UK. EQT, which placed the valuation at 16 to 18 times 2026 fee-related EBITDA, could add $500 million in cash based on performance to the all-shares upfront payment. Coller is an established private equity secondaries investor with a smaller secondaries credit business.

25 **The number of sports franchises in Arctos' portfolio**

The company brings $50 billion in AUM (two-thirds fee-generating) to EQT's diverse total of €270 billion ($315 billion) while filling a gap in the secondaries market. Coller also adds strong relationships among wealth managers and insurers, with both firms delivering a cross benefit of more than 1,000 new potential clients. Coller CIO Jeremy Coller called the deal "compelling," citing the opportunity to accelerate innovation in secondaries "to broadening the secondary solutions we can deliver to investors worldwide." In the first quarter, private equity secondaries raised $30 billion, according to Preqin.

The second major transaction was a U.S. affair with another specialist target: KKR's $1.4 billion cash-and-equity acquisition of **Arctos Partners**, with an additional $550 million in equity possible based on performance. Arctos, with $15 billion in mostly long-duration AUM, is the largest institutional investor in professional sports teams, with a portfolio of 25 teams across the five major sports and motor racing.

KKR praised Arctos' scaled platform as well as its experience in the secondaries market, which it said offers "significant long-term opportunity." In an interview with Bloomberg Television, Arctos CEO and co-founder Ian Charles recounted the company's strong growth but said "the potential that our team has to help transform and innovate in these markets" called for a larger partner such as KKR. KKR said it aims to build Arctos into a $100-billion-plus business.

Charlesbank Capital Partners acquired a minority stake in secondary specialist **Overbay Capital Partners**, with Bloomberg sources placing Overbay's valuation at C$200 million (US$145 million). Overbay (AUM: US$3 billion) said it will retain its independence and control of investment decisions. In another cross-border deal of note, Cayman Islands-based alternatives manager **Patria Investments** acquired **WP Global Partners**, a lower-middle-market investor with $1.8 billion in fee-earning AUM. The deal expands Patria's private equity presence in the U.S. and delivers new and complementary limited partner relationships. WP invests in a range of industries, among them consumer, healthcare and software.

Capital Constellation, founded by a group of global institutions to provide growth capital for next-generation alternatives firms, acquired a stake in **Gallatin Point Capital**, which targets the financial services industry and manages $6 billion for global investors. Capital Constellation is managed by **Wafra**.

Another blockbuster

Less than two months after the December $7.4 billion take-private bid for **Janus Henderson Group** led by existing shareholder **Trian Fund Management** as well as **General Catalyst Group Management**, a second megadeal emerged that would remove another major fund manager from the public markets: **Nuveen**'s £9.9 billion ($13.3 billion) offer for **Schroders**.

Nuveen's £9.9 billion offer for Schroders took place amid a bidding fight for Janus Henderson.

Victory Capital Holdings intruded into the mix in February by offering a "fully financed" and "clearly superior" proposal for Janus of around $8.6 billion, but Janus' board rejected the overture, citing multiple concerns. Victory responded by raising its offer, as did Trian and General Catalyst, but Victory ultimately withdrew its bid, citing a lack of support from a Janus special committee reviewing the offers.

For Nuveen, the addition of Schroders would deliver £824 billion ($1.1 trillion) in AUM to the $1.4 trillion it already manages and catapult the combination toward the ranks of top-10 asset managers globally. The larger firm would have $414 billion in private markets AUM, three-quarters from Nuveen. For Schroders, Nuveen parent and retirement plan provider **TIAA** can also serve as a source of permanent capital for the private markets business.

Geographically, the two firms are complementary: Nuveen has 93% of its business in the Americas and Schroders 64% in Europe and 24% in Asia-Pacific. Nuveen has about an equal mix of fixed-income and equity AUM totaling $850 billion. Schroders tilts more toward equities, comprising 37% of AUM while fixed income is just 14% (the multi-asset and institutional "core solutions" businesses combined total 37%).

Richard Oldfield, group chief executive at Schroders, said the transaction will "create a leading public-to-private platform with enhanced geographic reach and a strengthened balance sheet."

In January, just a month after the initial takeover offer from Trian and General Catalyst, Janus acquired **Richard Bernstein Advisors**, a multi-asset manager with $20 billion in assets. RBA combines top-down, macroeconomic analysis with quantitative portfolio construction. Janus said the deal will "substantially enhance" its model portfolio and separately managed accounts business, placing it among the top-10 model portfolio managers in North America. RBA plans to capitalize on Janus' technology to customize models for individual investors.

Raymond James Investment Management expanded its business by acquiring an established asset manager serving the wealth industry, **Clark Capital Management Group**. Clark, with $46 billion in assets, is the seventh boutique in RJIM's portfolio. In a January interview with InvestmentNews, Clark CIO Sean Clark said the firm has been overweight equities in its multi-asset portfolios since the second quarter of 2025. "Even though we've had three double-digit percentage gain years in the S&P 500, that doesn't preclude us having a fourth," he said, noting that the firm has added some small cap, value and international exposure.

Cerity Partners added its name to the growing list of major wealth managers acquiring consulting services through a merger with **Verus Investments**. Versus has $1.2 trillion in assets serving a range of institutions. Cerity said the deal "strengthens our ability to service clients of all sizes [and] complexities." Other wealth managers that have teamed with consulting firms since 2024 include **Creative Planning**, **Cresset**, Hightower Advisors and **Mariner**.

Founder Paul Matthews and Executive Chairman Mark Headley acquired a controlling interest in **Matthews International Capital Management**, a prominent investor in Asian and emerging markets. In a letter to clients, Headley called the transaction "the next chapter in our journey," saying it allows the firm "more freedom to think long term [and] invest confidently in our people and our business." Matthews manages a range of some two dozen funds, dominated by mutual funds by AUM but including an equal number of active ETFs. (ETFGI reported that active ETF assets worldwide reached a record $2.3 trillion in April, up 21% from year-end 2025. This included inflows of $312 billion that surpassed the full-year record set in 2025.)

In Canada, management and employees of **Montrusco Bolton Investments** acquired majority control of the firm and welcomed a new private equity minority investor, **Walter Global Asset Management**. Montrusco has C$18 billion (US$13 billion) in AUM and manages several global, U.S. and Canadian equity strategies, as well private debt funds.

In a cross-border deal, Australia's **Pinnacle Investment Management** paid £212 million ($285 million) in cash and shares for the 79% of London's **Pacific Asset Management** it did not already own, building on an initial investment made in November 2024. PAM's EDITDA has grown 91% since Pinnacle's 2024 investment while AUM jumped five times between 2022 and 2025 to £14 billion. Pinnacle has a portfolio of 19 affiliates with total AUM of more than A$200 billion (US$140 billion), PAM being one of the largest.

Industrial heads outdoors

Almanac's investment in **Alterra IOS** in the first quarter highlighted an unsung part of the industrial sector that has been delivering solid growth: industrial outdoor storage. IOS properties are open-air facilities employed for storing equipment, delivery vehicles, containers and construction materials, often located near highways, seaports and airports.

The properties' fortunes have grown, in part, with the growth of e-commerce infrastructure, as well as data centers. But in the case of IOS, zoning restrictions and the paucity of land in some markets conspire to limit supply, even as demand increases. The result is vacancy rates that hover around 3% to 4% and rents (applied on a per-acre basis) that grew more than 120% between 2020 and 2025, according to Newmark Group, more than double that of bulk warehouse.

Institutions have been taking notice. Last year, **Clarion Partners** entered the sector through its Real Estate Income fund, via a debt investment in a property portfolio spanning seven cities and the purchase of a site in Houston. **JP Morgan Asset Management** has teamed with **Zenith IOS** on two joint ventures totaling $1.4 billion and involving the purchase of sites across the U.S. Alterra has gathered loans from Blackstone and **Blue Owl**. "It's the real estate hiding in plain sight," Leo Addimando, CEO of Alterra, told CNBC.

120%

Growth in IOS rents between 2020 - 2025

Almanac, the real estate permanent capital arm of **Neuberger Berman**, acquired a minority stake in Alterra and with it a piece of the leading owner and manager of IOS. Alterra has purchased or developed more than 450 properties throughout the U.S. and in 2024 closed its third Venture fund with $925 million in capital, nearly double the predecessor fund. Almanac said the deal reflects "our conviction in the long-term fundamentals of IOS and our strategy to partner with best-in-class managers." During its long history, Almanac has committed some $9 billion in capital to 59 North American public and private real estate companies.

There were two headline deals in the first half, both involving Canadian buyers. In one, **Sun Life Financial** bought the 44% of diversified manager **BGO** it did not already own. The price tag was C$1.6 billion (US$1.1 billion). In a second deal done simultaneously, Sun Life paid US$350 million, largely in shares, for U.S. multifamily specialist **Bell Partners**. Sun Life then merged the two firms into one entity with US$100 billion in AUM, 90% from BGO, whose portfolio is heavy on industrial with significant positions in office and residential. Sun Life called the two platforms complementary and noted growing "investor demand for institutional-quality multifamily exposure" in the U.S., "supported by resilient housing fundamentals and structural undersupply."

In the second deal, **Kennedy-Wilson Holdings** management and Canadian insurer **Fairfax Financial Holdings** finalized a joint agreement to pay US$1.7 billion in cash in a take-private deal, following several challenging years for KW's stock. Fairfax, which had an existing investment relationship with KW, will provide funding for the deal and assume a majority economic interest. California-based KW has $31 billion in AUM in the U.S., Ireland and the UK, with 63% of net operating income generated by the U.S. Rental housing accounts for two-thirds of AUM across the three markets.

AMG continued to add to its alternatives portfolio with a minority stake in **HighBrook Investors**, a value-add investor in the U.S. and Europe that has committed $2.3 billion of equity since its founding in 2010. The company targets such "high-growth areas" as European last-mile logistics, U.S. data centers and special situations. In 2025, AMG acquired a minority stake in a last-mile logistics investor in the U.S., **NorthBridge Partners.** That same year, AMG boosted its private markets and liquid alternatives AUM by 35% to $373 billion from acquisitions and organic growth.

A fourth deal was centered on the European market: **Proprium Capital Partners**' acquisition of **BC Partners Real Estate**, the selling done via alternatives parent BC Partners. BC Partners Real Estate adds $1 billion in AUM to the $3.3 billion Proprium already managed while delivering complementary geographic capabilities in Europe, where Proprium already has a significant presence. **L&G** acquired a 75% stake in Proprium in 2025.

University Pension Plan Ontario cut two "strategic partnerships," both targeting hot sectors. The first involved **Schroders Capital** with the goal of investing in "high-quality" logistics and industrial real estate in Northwestern Europe. Schroders Capital has £21 billion ($28.3 billion) in real estate AUM. The deal took place prior to Nuveen's £9.9 billion takeover bid for parent Schroders. The second deal involved one of Canada's leading real estate asset managers, **KingSett Capital** (AUM: C$19 billion), with the partnership focused on industrial assets in "supply-constrained" Canadian markets.

On the credit side of real estate, a second pension plan, **Universities Superannuation Scheme** of the UK, acquired a majority interest in a specialist in the UK's residential sector, **Venn Partners**. USS, the largest UK private pension plan by assets (£77 billion), said it will operate as a "long-term, patient capital provider." Venn manages £10 billion across four strategies in the UK, including affordable and rental housing.

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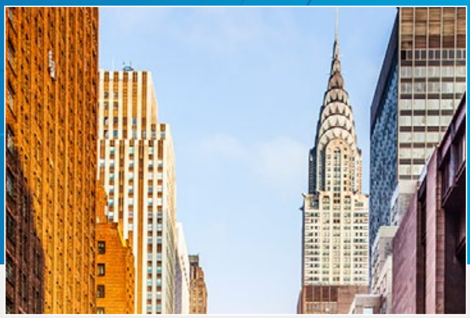

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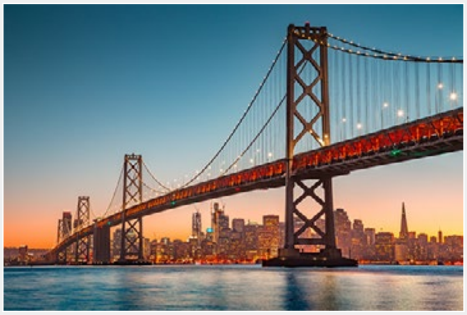

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