



# 2025

## Financial Services Industry Review

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# 2025 Market Commentary

## U.S. preps alternatives for Main Street

Last August, President Donald Trump signed an executive order kickstarting the effort to open private market investments to the general public via their 401(k) and other defined contribution (DC) retirement plans. The order directs the U.S. Labor Department to research the matter and determine within 180 days “the appropriate fiduciary process associated with offering asset allocation funds” containing alternatives.

Noting that wealthy Americans and those in defined-benefit pension plans can profit from such investments, President Trump said that more than 90 million Americans in DC plans are unable to capitalize on “the potential growth and diversification opportunities associated with alternative asset investments.”

Those Americans locked out are a mouth-watering market, representing more than \$12 trillion in retirement assets. Discussing the potential during a second-quarter earnings call, prior to the executive order, **Blackstone** President and Chief Operating Officer Jonathan Gray opined that the most logical vehicle would be long-term oriented target-date funds. “The fact that we have created scale perpetual products that have track records, that can absorb large amounts of capital — that is a real competitive advantage,” he said.

Those products include the Blackstone Real Estate Investment Trust fund, a non-traded REIT available to a broad range of qualified retail investors. Last October, Blackstone launched a DC unit within its private wealth business, focused on strategic partnerships, product innovation and education.

Interest from retail investors is high. According to **Schroders’** 2025 U.S. Retirement Survey, 45% of respondents said they would invest in private equity and debt if given the option in their retirement plans. Among those, three-quarters said they would also increase their contributions. The survey indicates that individuals will be prudent, with half saying they would allocate less than 10% of assets to private markets and 36% indicating 10% to 15%. The survey also underlines the importance of education: Only 12% of plan participants said they are very knowledgeable about private markets.

Moody’s warned about the reputational and regulatory risks to asset managers targeting the retail market for private assets

Asset managers have been preparing for reforms for a while, and some have begun taking action. **State Street Global Advisors** is one: Last year it created a retirement target-date fund allocating 10% to private markets, with **Apollo Global Management** acting as manager. Apollo Chairman and CEO Marc Rowan told analysts during a first-quarter earnings call that the largest alternative managers are likely to be the major beneficiaries. “The scale of need just can’t be met by the sole proprietorship PE firm,” he said. **Voya Financial**, with \$630 billion in DC assets on its platform, is teaming with **Blue Owl Capital** on private asset products for individual retirement plans. Blue Owl said the partnership lays “the foundation for future initiatives within the retirement channel.”

## Big Deals Drive Market

### Mergers & Acquisitions 2025, All Industries

Value of Announced Deals (\$ billions)	2025	(vs. 2024 +/-)
Worldwide	\$4,602	(+49%)
U.S.	\$2,310	(+57%)*
Europe	\$819	(+23%)
Asia-Pacific (ex-Japan)	\$869	(+47%)
Number of Announced Deals	2025	(vs. 2024 +/-)
Worldwide	52,104	(-3%)
U.S.	12,007	(-11%)
Europe	17,321	(-1%)
Asia-Pacific (ex-Japan)	13,549	(-1%)
Of Which (by \$ Value Worldwide)	2025	
Private Equity-Backed	20%	
High Technology	18%	
Financials	13%	
Megadeals (\$10b+)	33%	

Source: LSEG \* Highest U.S. pct. (50%) of global total since 1998

There are skeptics, of course. **Moody’s** warned about the reputational and regulatory risks to asset managers, according to a report in the Wall Street Journal. Corporate plan providers worry about high fees and related litigation, including for performance. There are also questions about liquidity and portfolio valuations. Jerry Schlichter, whose firm is among the most active 401(k) plaintiffs litigators, told PlanAdviser last June that “opaque, illiquid, high-cost private investments require significantly more diligence and pose far greater risk. Without full transparency and a well-documented belief that the investment is prudent and cost-effective, they haven’t done their job — and they are at litigation risk.”

The U.S. is not the only market to entertain such investments. Building off a less ambitious 2023 compact, last year 17 of the UK’s largest DC funds pledged to invest by 2030 at least 10% of their default funds in private assets, half domestically. (Default funds in the UK involve investments in which individuals are automatically placed if they do not choose their own strategy.) The government estimates £50 billion (\$68 billion) in domestic investment will be generated by the plan. According to an Investment Association survey last year, around three in five UK investors said they would consider private assets in their retirement plans — a proportion rising to 70% and 77% for Gen Z

and millennials, respectively. (See European Commentary at the end of this Summary for more.)

Australia has been ahead of the curve. Individuals there have been able to invest in private markets for years via the nation's A\$4.2 trillion (US\$2.7 trillion) superannuation retirement structure. **AustralianSuper**, the largest fund (AUM: A\$370 billion), has around 20% of its assets in unlisted securities in a mix of direct and indirect investments, both domestic and international. A study released last year by Australia's Monash University revealed that alternative investments, combined with active management strategies, helped the 10 largest super funds outperform a low-cost, passively managed public benchmark over 10-year rolling periods between 2005 and 2024. (See Asia-Pacific Commentary at the end of this Summary for more.)

The alternative sectors factored into some of the largest asset management deals, in what was a hyperactive 2025 in general, with \$115 billion worth of industry deals announced. The private credit sector was again a leader, drawing a range of insurers on the buy side, among them giants such as **Generali**, **Manulife Financial Corp.** and **Northwestern Mutual**. A traditional asset manager, **Franklin Resources**, continued to build out its alternatives platform by acquiring **Apera Asset Management**, a European-focused private credit firm with €5 billion (\$5.8 billion) in AUM. Around one-third of Franklin's \$260 billion in alternatives AUM is in private credit.

Abu Dhabi sovereign wealth fund **Mubadala Investment Company** (MIC) added another asset manager to its portfolio by assuming a minority stake in European private credit investor **Hayfin Capital Management** (AUM: €32 billion). MIC also formed a "strategic partnership" with **Fortress Investment Group** — in which it holds a majority share via subsidiary **Mubadala Capital** — involving investment in Fortress' private credit and special situations strategies. Gulf State actors have become significant players in the asset management industry, both as buyers and sources of capital. MIC has been the most active, cutting four deals for asset managers in the last two years.

Last year, Mubadala Capital also anchored and led a \$10 billion syndicated fundraise in **TWG Global** for investment across "multiple sectors and asset classes" while taking a minority stake in the asset manager. Mubadala Capital Chief Investment Officer Oscar Fahlgren promises more such deals, telling PitchBook last May that he "increasingly see[s] very large opportunities where we can put capital together in a way that many funds can't compete with."

As the real estate sector continues its post-Covid rebound, deal-making was steady, with managers in the most robust sectors such as industrial the leading targets. Several high-profile diversified asset managers tapped the market, including **AMG**, **Barings**, **BlackRock** and **Legal & General**. For AMG, the target was **NorthBridge Partners**, an established investor in last-mile logistics properties in major markets. The deal was one of four

## Investment Management Transactions

	2021	2022	2023	2024	2025
Majority Equity	277	251	227	264	389
Minority Equity	48	47	50	82	86
Management Buyout	4	7	1	1	0
<b>Total</b>	<b>329</b>	<b>305</b>	<b>278</b>	<b>347</b>	<b>475</b>
Total Transaction Value (\$B)	\$53.8	\$41.6	\$42.8	\$90.8	\$115.0
Total AUM Changing Hands (\$B)	\$3,751	\$1,683	\$2,678	\$4,998	\$6,447

## Investment Management Transactions

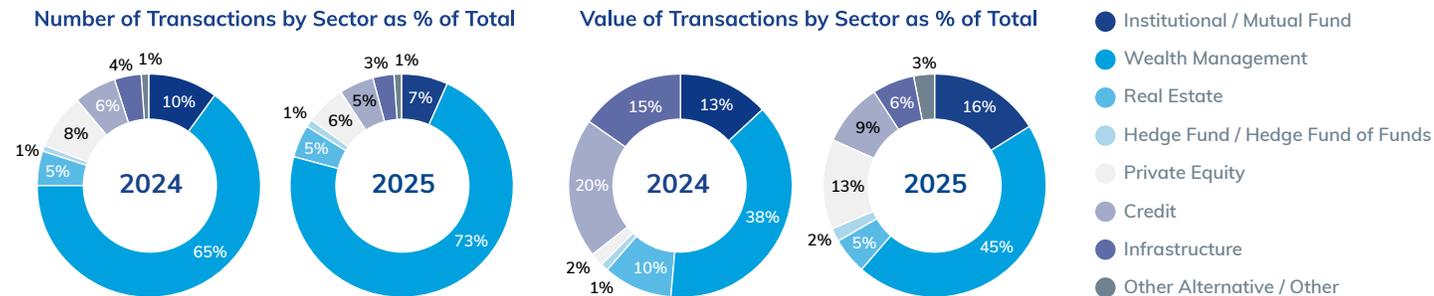
### Who's Buying

	2021	2022	2023	2024	2025
Wealth Manager	125	137	146	170	293
Alternatives Manager	46	30	38	48	53
Insurance	22	30	23	16	29
Traditional Investment Manager	54	25	24	31	26
Bank	16	8	5	9	21
Financial Buyer	32	36	25	49	20
Securities Firm	13	13	5	15	11
Real Asset Manager	10	11	6	5	11
Other	7	9	5	4	11
MBO	4	6	1	0	0
<b>Total</b>	<b>329</b>	<b>305</b>	<b>278</b>	<b>347</b>	<b>475</b>

Excludes acquisitions of managers with less than \$250 million of AUM  
Source: Berkshire Global Advisors

# Investment Management

## Who's Selling



Source: Berkshire Global Advisors | Data may not add up to 100%

alternative firms in which AMG invested last year. Speaking to analysts last July, CEO Jay Horgen described 2025 as “one of the most active periods of new investment activity in AMG’s history ... each underscoring the ongoing demand for AMG’s differentiated partnership approach ... and our focus on investing in areas of secular growth.”

ETF provider **WisdomTree** entered the mix with a niche purchase of **Ceres Partners**, a top-five investor in U.S. farmland. WisdomTree founder and CEO Jonathan Steinberg told investors that farmland has “minimal competition from major asset managers” and offered scalability. Apollo Global Management accounted for the largest deal, paying \$1.5 billion in stock for **Bridge Investment Group**. Bridge adds \$45 billion in AUM in a diverse and complementary real estate portfolio to the \$77 billion Apollo already managed in real estate debt and equity.

Apollo also took part in an infrastructure deal involving **Argo Infrastructure Partners**, which focuses on power generation, digital and transportation, among other industries. Apollo Chairman and CEO Marc Rowan said Argo gains “the opportunity to now originate” in areas such as debt and lower-risk, lower-reward equity “across a much larger scale platform.” AMG joined Apollo in the infrastructure market, buying a minority stake in **Qualitas Energy**, an investor in renewables with some €3.5 billion in AUM. Other alternative firms targeting infrastructure included Blackstone, **Hunter Point Capital** and **TPG**.

In private equity, dealmakers within the industry focused on specialists, including those targeting healthcare and technology. One example that merged both sectors saw **Petershill** pay \$330 million for a minority stake in **Frazier Healthcare Partners**, which targets the middle market of that sector. In describing Frazier’s \$2.3 billion fund closed in 2024, Managing Partner Ben Magnano told Mergers & Acquisitions there will be “heavy investment in tech enablement,” calling healthcare “one of the most ripe areas” for such investment. He also noted that the size of the fund allows for targeting larger firms and more co-investment opportunities for partners. AMG, **Azimut Group**, Blackstone and **Wafra** also made investments in private equity firms. Startup **Pact Capital Partners** made minority investments in two specialized U.S. firms, the larger target being **Accel-KKR**, which focuses on the software and technology industries.

Traditional investment managers accounted for five major transactions, the largest being the \$7.4 billion take-private deal for **Janus Henderson Group** led by **Triam Fund Management** and **General Catalyst Group Management**, the latter an aggressive investor in artificial intelligence and fintech firms. Janus has \$484 billion in AUM, 84% in equities and fixed income. Two Japanese buyers also factored into the mix. **Nomura Holdings** paid \$1.8 billion for three companies owned by **Macquarie Group**, in line with Nomura’s aggressive effort to expand its asset management business. Macquarie’s three divested companies operate on both sides of the Atlantic and have \$180 billion in AUM in various

## Cross Border Investment Management Transactions

	2021	2022	2023	2024	2025
<b>U.S. - INTERNATIONAL</b>					
Number of Deals	48	39	34	37	37
Value (\$B)	\$12.8	\$9.6	\$11.2	\$21.2	\$21.9
<b>INTERNATIONAL - INTERNATIONAL</b>					
Number of Deals	36	18	22	25	40
Value (\$B)	\$9.7	\$11.6	\$4.8	\$8.3	\$7.6
<b>TOTAL</b>					
Number of Deals	84	57	56	62	77
Value (\$B)	\$22.5	\$21.2	\$16.0	\$29.5	\$29.5

Excludes acquisitions of managers with less than \$250 million of AUM  
Source: Berkshire Global Advisors

## Cross Border Transactions by Domicile and Type

2025	BUYER	U.S.	INT'L	INT'L	TOTAL
	SELLER	INT'L	U.S.	INT'L	
Wealth Management		6	7	13	26
Institutional/Mutual Fund		1	4	8	13
Other		9	10	19	38
<b>Total</b>		<b>16</b>	<b>21</b>	<b>40</b>	<b>77</b>

2024	BUYER	U.S.	INT'L	INT'L	TOTAL
	SELLER	INT'L	U.S.	INT'L	
Wealth Management		7	2	7	16
Institutional/Mutual Fund		1	3	7	11
Other		13	11	11	35
<b>Total</b>		<b>21</b>	<b>16</b>	<b>25</b>	<b>62</b>

Excludes acquisitions of managers with less than \$250 million of AUM  
Source: Berkshire Global Advisors

strategies, 90% in the U.S. **Mitsui Sumitomo Insurance Co.** agreed to pay \$1.4 billion for an 18% stake in **Barings**, which has a growing private markets business in addition to a large public fixed-income portfolio.

Within the U.S., **Genstar Capital** purchased a majority share in **First Eagle Investments**, reportedly valued at more than \$4 billion. Traditionally a value equity investor, First Eagle (AUM: \$140 billion) has been diversifying its portfolio to incorporate small-cap equity and high-yield fixed income. It has also built a large private credit business via multiple acquisitions. First Eagle subsequently added its own deal, agreeing to pay \$473 million in cash for **Diamond Hill Investment Group**, a diversified active manager. **Goldman Sachs** added the fifth major deal, agreeing to pay \$2 billion for defined-outcome ETF provider **Innovator Capital Management**, one of three asset management investments Goldman announced last year.

**Monticello Associates** to create a diversified business with a combined \$200 billion in assets. Susie Cranston, president of Cresset, told **WealthManagement.com** the wealth-OCIO tie-ups will continue “because it is such a fantastic way for clients to be better served, for capabilities to be added to all sides.”

The wealth management industry itself remained a center of M&A activity, again driven by private equity-backed strategic acquirers. In the U.S., the list of buyers included a Who's Who of such firms, among them **Captrust**, **Creative Planning**, **Focus Financial Partners**, **Hightower** and **Wealth Enhancement**. A 102-year old firm, **Pitcairn**, made the first acquisition in its history, buying **Brightside Partners**, which serves an ultra-high-net-worth (HNW) clientele and boosts Pitcairn's total assets to \$9 billion.

**Hancock Whitney Bank** made its second wealth deal since 2018, acquiring a Florida-based non-depository trust company, **Sabal Trust Co.** The bank, focused on the Gulf region, called the deal “an excellent strategic opportunity” to expand in the “high-growth Florida market.” Insurance and annuity provider **Sammons Financial Group** expanded its wealth business with its third and largest such deal (by AUM) since 2021 by acquiring **Wealthcare**, adding \$8 billion in AUM.

**AITi Global**, with a presence on both sides of the Atlantic and a focus on the ultra-HNW market, cut a deal for one of Germany's larger independent firms, **Kontora Family Office**. **Corient** of the U.S. took its business global with deals involving **Stonehage Fleming** and **Stanhope Capital Group** of the UK, creating an independent heavyweight with some \$430 billion in assets. Switzerland's wealth industry continued its steady consolidation, with **EFG International** and **Indosuez Wealth Management** both acquiring independent managers.

Two of the UK's major private equity-backed consolidators, **Kingswood Holdings** and **Mattioli Woods**, merged to form a larger entity with £25 billion (\$34 billion) in assets and 25,000 clients. **Fairstone**, with £20 billion in AUM, celebrated the 100th firm to join its “downstream” buyout program. The UK asset management industry in general reached a new threshold in 2024, hitting the £10 trillion mark in AUM.

# \$430 billion

Total assets after Corient combines with Stonehage Fleming and Stanhope Capital Group

Outsourced chief investment officers remained a hot target, continuing a trend that began in 2024. For the second consecutive year, **Mariner Wealth Advisors** was the marquee buyer, adding a couple of acquisitions to the two it made in 2024. The major one involved **Cardinal Investment Advisors**, with \$290 billion in assets under advisement. Mariner CEO and President Marty Bicknell called the Cardinal deal “a defining chapter for Mariner in becoming the premier partner for institutional consulting services.” A second major U.S. wealth manager, **Cresset**, merged with

There were two \$1 billion-plus deals among the wealthtechs on top of the two done in 2024. In the U.S., **Clearwater Analytics** paid \$1.5 billion for **Enfusion**, merging Clearwater's "after the trade" platform with Enfusion's "actual trading" capabilities, as described by Clearwater CEO Sandeep Sahai. Clearwater followed that deal

with two additional ones for credit-related platforms. The second such deal saw **SS&C Technologies Holdings** of the U.S. pay £766 million (\$1 billion) for London's **Calastone**, which manages the largest global funds network for wealth and asset managers.

## BGA Market Commentary

As we describe in the Summary lead, President Trump opened the door for retail investors to access private markets via their retirement plans. This is an initiative long expected and perhaps years overdue, given that there are almost half the number of public companies in the U.S. as was the case 30 years ago. With the appropriate guardrails and education, individuals can benefit from the options and diversification offered by alternatives.

Wealthy investors have been able to tap the private markets for some time. According to **BlackRock's** latest single-family office global survey, alternatives make up 42% of such portfolios, although three-quarters of offices cite high fees "as a significant challenge" to the investments. "Illiquidity premium" is by far the leading reason cited by offices for their investment, a thesis that makes target-date funds a logical vehicle for retirement plans.

Following President Trump's announcement, the Council for a Safe & Secure Retirement was formed as an advocacy group, with the Wall Street Journal reporting that it planned to spend \$1 million on advertising. **Apollo Global Management** made its own pitch to retail investors last September by employing a wrap-around glossy ad in Barron's and the Wall Street Journal that asked, "What if we're clinging to a status quo that no longer exists?" The alternatives giant continued a series of what if's highlighting the significance of the private markets and both the relative decline of public companies and the dominance of a handful driving the S&P 500 index. "In a world moving forward, your thinking can't stand still," it concluded.

**Blue Owl Capital** sponsored the Player Patch Program at Grand Slam tennis tournaments such as the US Open, its logo positioned on players' shirts for those close-ups on TV. Still, as one public relations executive explained to the Wall Street Journal last September: "It is a challenging process for an established alternatives firm to change its orientation from an institutional audience to a retail audience, and to rebuild its external messaging to be more personal, more holistic."

As we report in our Summary and in the individual alternatives sections, M&A remains a defining feature of the private markets. The drive to add mass-affluent individuals to the mix of traditional investors means subscale players hoping to tap that market have another reason to seek a larger parent with more resources. But non-equity alliances are also being formed, including between alternative and traditional managers. In addition to the two we note in the Summary — **State Street Global Advisors**-Apollo and **Voya Financial**-Blue Owl — **Blackstone**, **Vanguard** and **Wellington Management** agreed to collaborate on "sophisticated" active and passive strategies "ordinarily available to the largest global institutions."

Last year, we were again involved in a range of alternatives transactions, a distinctive characteristic of our business rooted in our decades-long leadership role advising real estate asset managers. In 2025, we were engaged with related deals involving marquee buyers such as **AMG**, **Barings**, **BlackRock** and **WisdomTree**. But our engagements spanned the range of alternatives, including private credit and infrastructure. Over the past five years, we have been engaged with dozens of transactions involving alternatives firms.

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**"It is a challenging process for an established alternatives firm to change its orientation from an institutional audience to a retail audience."**

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Wealth management had another historic year for M&A, as we note in the Summary and the Wealth Management section. Our team was an active participant with engagements involving such high-profile buyers as **Captrust**, **Focus Financial Partners**, **HighTower** and **Wealth Enhancement**. On the sell side of two of those deals, we represented established and independent firms such as **Churchill Management Group** and **Smith Anglin**.

With all the emphasis on alternatives and wealth management, the traditional investment sector remains important and sizable, and there we were pleased to participate in a transaction between **MetLife Investment Management** and **Mesirow**.

We thank you, our clients, for the faith you continue to place in our firm and people as you define the most profitable path forward for your business and your own trusted clients. And, as always, we thank our people for their commitment to a culture of integrity, intellectual vigor and excellence that has defined **Berkshire Global Advisors** since our founding in 1983.

# 2025 Market Commentary: Europe

In the UK, as in the U.S., private markets are in the early stages of democratization. Last year, 17 of the UK's largest pension funds pledged to invest, by 2030, at least 10% of their individual retirement default funds in private assets. In 2021, the Financial Conduct Authority introduced the Long-Term Asset Fund (LTAF), an open-ended investment fund designed to channel capital into long-term, illiquid assets. The target market for LTAFs is institutional investors with long-term investment horizons, particularly defined contribution pension schemes, as well as retail investors that meet specific criteria.

As an example of asset managers addressing this opportunity, **Hargreaves Lansdown** and **Schroders Capital** teamed up last year to deliver private market investments in LTAFs via self-invested personal pensions, with a minimum investment of £10,000 (\$13,500). In 2023, Schroders introduced the UK's first LTAF, a "green" vehicle focused on private investments mitigating climate change. Other major asset managers in the market or preparing to enter include **Aegon Asset Management**, **Aviva Investors**, **Fidelity International** and **Legal & General**.

The drive to expand private markets to retail investors is a natural extension of the sea change in the investment landscape: Although the UK is Europe's most important capital market — and the London Stock Exchange the region's largest — the number of publicly traded companies there has been declining sharply: In a report released last year, McKinsey noted a 44% drop in such companies between 2006 and 2021, with a similar reduction in France and Germany. The consultant reckons that private equity firms account for two-thirds of delistings in the UK.

## 55% of revenue & 23% of AUM

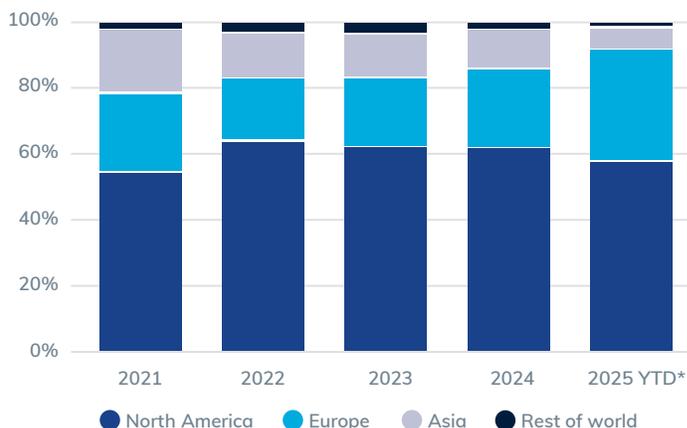
Morningstar's projection by 2027 of the mix from alternatives for European asset managers

While acknowledging that the "jury is still out" on returns over time, McKinsey writes that "there is evidence of stronger revenue growth in [delisted UK] companies after the change in ownership." As elsewhere in the world, one of the arguments for expanding retail access to alternatives relates to that lost opportunity.

Retail investors in the UK appear willing to extend their portfolios into private assets, with the enthusiasm rising the younger the age range, as noted in our Summary section. On the Continent, where the investment culture is generally more risk-averse, change is also occurring. Last year, the European Commission's revised European Long-Term Investment Fund regulation came into effect, providing retail investors in the EU with greater access to alternatives and illiquid assets. Employing the ELTIF structure, **EQT** promptly launched a retail private equity fund that it touted as providing "exposure to a similar portfolio as institutions."

While the wealth channel remains the primary focus for private assets on the retail end, wealthy investors and institutions can't completely fill the investment void. On infrastructure alone, the UK faces an estimated investment gap of £1.6 trillion through 2040. The Continent requires a minimum additional annual investment of €750 billion (\$875 billion) to €800 billion to "reignite sustainable growth," according to a 2024 European Commission report on competitiveness. Toward that end, the report said the EU needs to "channel households' savings to productive investments," calling long-term savings products such as pensions the "easiest and most efficient way."

## Global Private Capital Fundraising by Share



Source: PitchBook \* As of September 30, 2025

One of the region's largest alternatives firms, **CVC**, introduced two funds focused on private equity and credit in 2024 and 2025 aimed at the wealth market in Europe, as well as Asia-Pacific, valued at €2.5 billion as of last September. CVC is planning to launch two more this year targeting secondaries and infrastructure. A different approach has been taken by **Amundi** and **ICG**, which formed a 10-year strategic partnership last November combining ICG's private markets expertise with Amundi's distribution network to offer private asset funds to wealthy investors in Europe and elsewhere. Amundi and ICG will initially focus on developing, during the first half of 2026, two European evergreen funds: a private equity secondaries fund and a private debt fund.

**Morningstar** has projected what the tilt toward alternatives will mean for European asset managers: By 2027, private markets (including venture capital) will account for 55% of total revenue vs. 23% of AUM. "The dynamics within Europe's asset management industry are undergoing a profound shift," Morningstar wrote. "An increasing focus on private markets, coupled with the rising dominance of megafunds and the urgency to address pension shortfalls, creates opportunities for firms to strengthen their competitive positioning. Forward-looking players who act now are well-placed to capture untapped growth."

## 2025 Market Commentary: Asia-Pacific

As in the U.S. and Europe, in Asia-Pacific retail access to private markets is just getting started, especially in fast-growing but developing wealth markets such as India. But importantly, there is no common market defining such rules as there is in the European Union, nor is there an individual market that can match the size of the U.S. (China isn't there yet). Additionally, investment culture and risk tolerance varies among markets, though the generations that emerged amidst the region's decades-long rapid development tend to be more sophisticated and adventurous investors.

Importantly, the region continues to deliver the fastest economic growth in the world and a growing number of high-net-worth individuals, second only to the U.S. Among the wealthiest investors acceptance is high: According to the latest report from **UBS**, the region's family offices are allocating from 31% to 40% of their assets to alternatives, with the higher number in Northern Asia. Still, those numbers lag the U.S., at 54%, indicating both the potential for growth as well as a more traditional mindset.

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Within the region,  
Australia is arguably the  
most mature alternatives market  
in the world by the yardstick of  
Main Street access.

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Ocorian places private market assets in Asia at \$3.4 trillion, or one-quarter of the global total. Private equity dominates, accounting for 85% of those assets. With banks still controlling lending, the hot private credit market elsewhere remains undeveloped in Asia, at just \$65 billion. And while steady growth is projected, it is unlikely to come from individual investors in the near term beyond the wealthiest ones.

Within the region, Australia is arguably the most mature alternatives market in the world by the yardstick of Main Street access. For years, those investors have been able to tap such products and benefit from the diversification via the nation's A\$4.3 trillion (US\$2.8 trillion) superannuation retirement plan. As we note in the Summary, the largest individual fund, **AustralianSuper**, with A\$370 billion in AUM and 3.5 million members, has 20% of its assets in unlisted securities. And as we further note, one academic

study revealed that alternative investments helped active strategies outperform their passive competitors in Australia.

In private credit, the Australian Securities and Investments Commission last year highlighted the potential the sector holds to complement traditional lenders and support underserved borrowers, if "done well." The private credit market in Australia has some A\$200 billion in assets, with about half invested in or secured by real estate-related assets.

Japan last year joined the West's developed markets by opening tax-free Nippon Individual Savings Account portfolios to alternatives. There are around 27 million NISA account holders and assets exceeded ¥59 trillion (\$390 billion) as of last year's first quarter, according to **Morningstar**. In a bid for mainstream investors and those more affluent, last year **EQT** partnered with **SMBC Nikko Securities** to introduce a private markets investment trust for individuals with a minimum investment of ¥5 million (\$35,000); it raised an impressive €125 million (\$145 million) in the first month. But the wealth market, where Japan is No. 2 in Asia and fifth globally, is particularly alluring and is drawing the major alternative firms.

The challenge for alternatives acceptance in this market is the combination of an aging population and a traditionally risk-averse investment culture — 50% of the nation's estimated \$14 trillion in assets is held in cash and deposits. As elsewhere, however, younger investors — less scarred by Japan's massive 1980s bubble and decades-long collapse — represent an opportunity set.

Hong Kong investors have always been among the region's most risk tolerant, and the city itself is a regional center for alternatives, notably hedge funds. But it took until last year for the Securities and Futures Commission to issue guidelines for closed-end alternative funds to list on Hong Kong's stock exchange, opening the door to retail investors. Among those rules are a market capitalization of HK\$780 million (US\$100 million) and an expectation that a fund should be able to generate "regular income streams, depending on its investment strategy." The rules also allow investment from funds available within Hong Kong's Mandatory Provident Fund, which has HK\$1.5 trillion in assets and 4.8 million members.

In Singapore, a regional center for wealth management and a competitor on that front with Hong Kong, only accredited high-net-worth investors have had access to alternatives. But last year the Monetary Authority of Singapore proposed expanding access to the general retail market via a long-term investment fund structure involving direct investments or fund of funds. For this market, MAS is also suggesting guardrails such as lower-risk instruments in the funds and appropriate expertise and experience among providers. There is capital to tap among those investors, with Singaporeans sporting S\$2.9 trillion (US\$2.2 trillion) in collective net worth, much of it sitting in cash, as elsewhere in Asia.

# Credit

The alliances between insurers and private credit firms continued to grow last year, building on a 2024 that featured such major buyers as **Aflac**, **Dai-ichi Life Holdings** and **MassMutual**. Prior to that year, alternatives managers were generally on the buy side, including **Apollo Global Management**, **Blackstone** and **Brookfield Asset Management**. Altogether, asset managers accounted for some one-dozen significant investments in insurers between 2019 and 2024, and **Moody's** estimates U.S. life insurers had around one-third of their \$6 trillion in cash and invested assets in private credit as of 2024.

Why the interest now among insurers? For one thing, private credit provides insurers with diversification in their fixed-income portfolios. And then there's performance: According to **Nuveen**, private credit delivered by far the highest annualized return of 8.8% among the various fixed-income asset classes between October 2015 and January 2023. That compares with 1.4% for investment-grade bonds and 0.7% for Treasuries (admittedly during a period that included unusually low interest rates and then a spike in rates that impacted performance). On the infrastructure end, teaming up with a private credit firm makes more sense for insurers than attempting to build an internal capability.

"Unlike banks, [insurers] have longer liabilities that are less liquid, so that's one key point," explains Phil Waldeck, CEO of Multi-Asset Solutions at **PGIM**, in an online video. "The other is they face a competitive market, and to the extent that there is an illiquidity or complexity and structuring premium, if you can get more spread, more yield, that helps insurers write their liabilities and be competitive." In an indicator of the maturation of the market, PGIM last year merged its private and public credit businesses into one platform with nearly \$1 trillion in AUM, 11% in private credit.

## Credit Transactions

	2021	2022	2023	2024	2025
Number of Transactions	11	21	17	22	22
Combined Value (\$B)	\$5	\$7	\$8	\$18	\$11
Total Seller AUM (\$B)	\$81	\$276	\$273	\$361	\$366
Median Deal Size (\$M)	\$85	\$146	\$135	\$175	\$248
Median Seller AUM (\$M)	\$2,600	\$7,800	\$4,400	\$5,550	\$5,849

Excludes acquisitions of managers with less than \$250 million of AUM  
Source: Berkshire Global Advisors

In **Goldman Sachs Asset Management's** 2025 global insurance industry survey, respondents placed private credit among the top-three asset classes for expected returns in 2025, while 58% said they plan to increase their private credit investments over the next 12 months, the highest level of any asset class. In ranking their "motivations" for such investments, 71% cited higher expected returns and 20% diversification. "As the market expands, more financing opportunities will arise, providing attractive returns for insurance companies while diversifying their direct lending portfolios," wrote GSAM.

For credit managers, insurers are a source of permanent capital from a stable partner — albeit one heavily regulated — while also providing the opportunity to manage additional general account assets. To attract that capital, managers continue to extend their platforms to attract insurers' risk capital, whether through private collateralized loan obligations (CLOs), rated note-feeder structures, or private investment-grade whole loans.

## Why the interest now among insurers? For one thing, private credit provides insurers with diversification in their fixed-income portfolios.

In **Northwestern Mutual's** deal last year with **Sixth Street** involving a minority stake, the agreement includes Sixth Street management of \$13 billion of general account assets, "with the potential to scale." Sixth Street (AUM: \$100 billion) said the investments will include asset-backed finance and opportunistic real estate and infrastructure debt and equity. Northwestern said the deal delivers "increased access to attractive private investments, all of which complement our internal team." According to its latest annual report, Northwestern has \$320 billion in general account assets: 23% in private investment-grade corporate bonds, private asset-backed securities, and CLOs; and 26% in commercial and residential mortgage-backed loans and securities.

Italian insurer **Generali** paid \$320 million for 77% of U.S. private credit manager **MGG Investment Group**. MGG management and original investor **McCourt Global** retained shareholdings. The transaction, which includes additional performance payments, was facilitated through Generali's U.S. asset management subsidiary, **Conning & Co.**

Generali said the deal is part of a "strategic buildout" of its private credit capabilities to meet demand, including within its insurance business. MGG (AUM: \$6 billion) provides senior secured loans and structured capital solutions to non-sponsored middle-market companies. In a 2024 article in *Private Debt Investor*, MGG said its "underserved" market offers "compelling" risk-adjusted returns. "The debt and leverage multiples are typically much lower ... because family-owned and entrepreneur-led businesses are more conservative and jealously husband their equity."

In a North American cross-border transaction, **Manulife Financial Corp.** paid \$938 million in cash for 75% of **Comvest Credit Partners**, a direct lender with nearly \$15 billion in AUM, a deal that both scales and expands the insurer's private markets and related credit businesses. Manulife could pay another \$338 million based on performance. Manulife, which said the deal will be immediately accretive and placed the EBITDA multiple at mid-teens, could purchase the remaining 25% of shares within six years.

Manulife will merge its \$3.7 billion senior credit business with Comvest and co-brand the new platform as **Manulife/Comvest**. “We see a significant opportunity to provide our 19 million clients across our retail, retirement and institutional channels with Comvest best-in-class products,” Paul Lorentz, president and CEO of **Manulife Wealth and Asset Management**, told analysts. In 2023, Manulife acquired London private credit manager CQS, since rebranded **Manulife/CQS** (AUM: \$17 billion).

In another strategic deal, life and health insurer **CNO Financial Group** acquired a minority share in credit manager **Victory Park Capital Advisors** (AUM: \$4.5 billion), majority owned by London-based **Janus Henderson Group**. The transaction “further deepens” the “insurance presence” of Victory Park and Janus and provides CNO with access to its new partner’s “unique and differentiated asset-backed credit expertise.” CNO said it will provide a minimum of \$600 million for new and existing Victory Park strategies.

**T. Rowe Price** formed a “strategic partnership” with life insurance and annuity provider **Aspida Holdings** involving the management of both public and private credit assets as well as product development. T. Rowe, which cut the deal with private credit subsidiary **Oak Hill Advisors**, already held a minority interest in Aspida, a five-year-old firm with \$19 billion in assets. Aspida also has a relationship with **Ares Management’s** insurance solutions unit, which operates as its dedicated investment management, capital solutions and corporate development partner. Rob Sharps, T. Rowe chairman, CEO and president, told analysts the deal “will allow us to refine our insurance asset management offering, particularly in the life and annuity space, which should create additional opportunity with other insurers.”

**Blackstone** formed a similar partnership with **Legal & General** involving the former’s investment-grade private credit platform and the UK firm’s institutional £90 billion (\$120 billion) annuities business, where L&G said it will invest up to 10% of anticipated new annuities flows with Blackstone. The deal also includes L&G’s pension risk-transfer business and potentially others. Blackstone said the partnership could reach \$20 billion, adding to the \$250

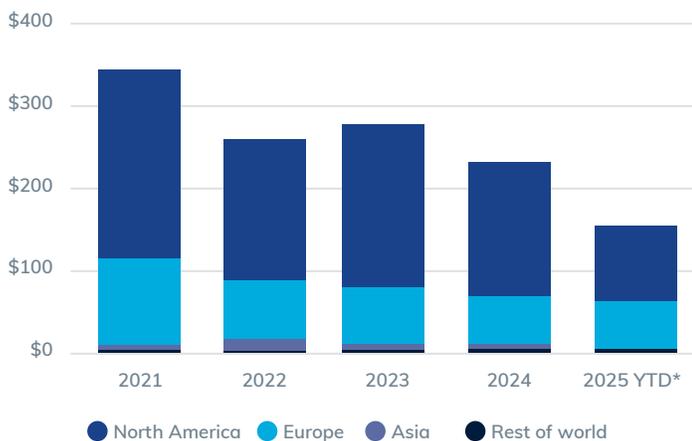
billion the company already manages for insurers in various strategies. For those clients, Blackstone delivered a premium of 185 basis points on investment-grade private credit over public during the second quarter and 190 basis points over the preceding 18 months.

Prior to the deal, L&G formed a partnership with Japanese life insurer **Meiji Yasuda** that involved the sale of L&G’s U.S. insurance business and a joint effort to expand the pension risk-transfer business in that market. Dai-ichi Life also established a partnership with diversified asset manager **M&G** of the UK (see *Traditional Investment Management*).

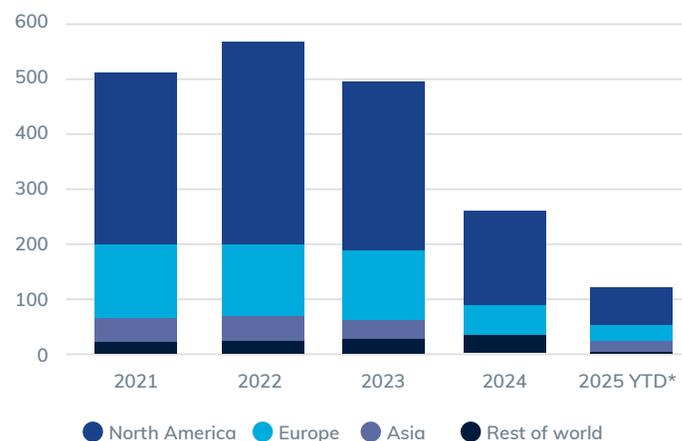
In a third deal with an annuities focus, **Jefferies Financial Group** acquired 50% of **Hildene Holding Co.**, which owns credit-focused **Hildene Capital Management** (AUM: \$18 billion). The deal was done in conjunction with Hildene Holding agreeing to acquire **Silac**, the parent for **Silac Insurance Co.**, a provider of fixed indexed annuities. Jefferies, the parent of alternatives platform **Leucadia Asset Management**, already held a revenue-sharing agreement involving Hildene’s asset management business as part of a “strategic relationship.” Noting that Hildene’s acquisition of Silac “broaden[s]” its “long-term opportunity,” Jefferies CEO Rich Handler said “origination and management of credit investment opportunities remain a central part of Jefferies’ long-term strategy.”

For private credit managers — and alternatives firms in general — the retail market has also become a holy grail as a new source of capital. Among the most aggressive on that front is Apollo Global Management, which last year teamed with **State Street Investment Management** to deliver private credit to retail investors in the form of an ETF. Blackstone also launched a retail-oriented private credit fund that “brings the full power of Blackstone’s credit platform to investors in a single fund.” Alternatives platform **CAIS**, which serves 2,000 wealth management firms, last year added multi-asset model portfolios that incorporate private credit from **BlackRock**, **Carlyle**, **Franklin Resources** and **KKR**.

## Private Debt Capital Raised (\$B) by Region



## Private Debt Fund Count by Region

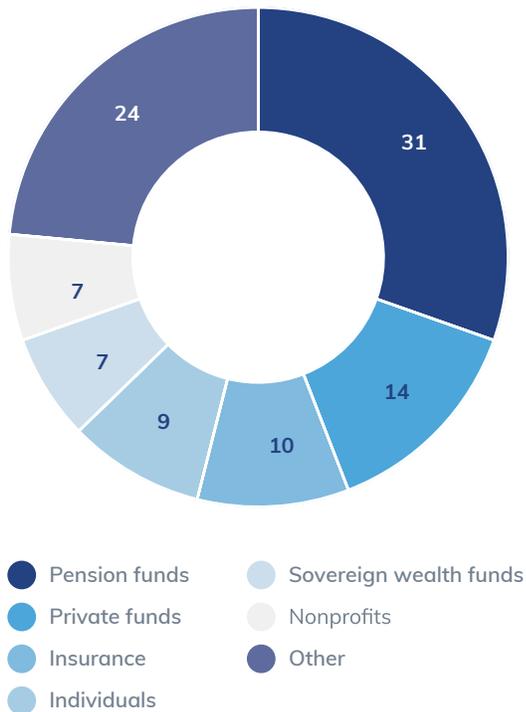


Source: PitchBook \* As of September 30, 2025

Among that group, Franklin Resources was a buyer last year, acquiring a majority of London’s **Apera Asset Management**. Apera, which has €5 billion (\$5.8 billion) in AUM and serves private equity-backed Western European companies, closed its third fund at €2.9 billion just prior to the June deal, more than double the amount in its second fund. Apera adds a lower middle market focus to Franklin’s European private credit business, which also includes **Alcentra**. Franklin’s largest private credit manager by far is **Benefit Street Partners** in the U.S. In total, Franklin had \$80 billion in private credit prior to the deal, or around one-third of its alternative AUM.

Apollo Global Management added a CLO specialist, **Irradiant Partners**, to its large credit business, cutting the deal through independently managed affiliate **Redding Ridge Asset Management**. Irradiant, only four years old at the time of the deal, adds nearly \$11 billion in AUM to make Redding a top-five player in the CLO market with \$38 billion in AUM, or around 6% of Apollo’s total credit AUM.

### U.S. Private Credit Funds by Investor Type (%)



Source: Bank for International Settlements report, 2025. Data based on 2021, latest year available. % more than 100% due to rounding.

Apollo gained another \$2.2 billion of private credit and renewables AUM from Irradiant. Irradiant praised Redding for having a “like-minded investment philosophy” while saying it will benefit from “additional scale [and] resources.” Irradiant, spun off from alternatives firm **Kayne Anderson Capital Advisors** in 2021, manages a portfolio encompassing liquid and opportunistic credit and renewable private equity and credit. In 2023, the company raised its third CLO fund of \$411 million with return investors at 95%.

# \$38 billion

## CLO assets of Redding Ridge Asset Management following its acquisition of Irradiant Partners

Financial services firm **Mesirow** extended its alternatives platform by acquiring **Bastion Management**, an established asset-backed lender that has completed more than \$2 billion in commitments over a 13-year history. The domestic U.S. deal closed on the last day of December 2024 but was announced in January of last year. Bastion focuses on the lower middle market seeking “compelling returns with robust downside protection.” In 2024, for example, the company led a new credit facility for Sezzle, a publicly traded payment platform. Mesirow, with more than \$300 billion in assets under supervision, has currency, private equity and real estate on its alternatives platform. (Mesirow sold fixed-income and small-cap assets; see *Traditional Investment Management*.)

Diversified credit firm **Callodine Group** tapped a private credit specialist in the areas of asset-backed finance and specialty lending, **Corrum Capital Management** (AUM: \$1.4 billion). Callodine acquired a majority stake while Corrum management retained a “significant” shareholding. Corrum is an established firm that manages asset-backed and cash flow-oriented investments in the sports, music and entertainment industries, as well as aviation finance. The deal provides Corrum with additional resources, including the opportunity to diversify its sources of capital, while Callodine gains a complementary business.

Another asset-backed lending specialist, **Keystone National Group**, drew a bid from **Virtus Investment Partners**, which agreed to pay \$200 million upfront for a 56% stake (management retained the rest) and up to \$170 million in deferred consideration. Keystone’s diversified platform — which has recorded double-digit annual organic growth over the past four years — includes such areas as equipment and real estate finance and corporate loans. Keystone has a strong presence in the wealth channel, providing Virtus with the opportunity to expand in that market.

Diversified manager **Bow River Capital** (AUM: \$4.4 billion) expanded its private credit business by acquiring **Park Cities Asset Management**, which since its founding in 2018 has deployed \$2 billion, primarily in North America. The firm targets the lower middle market in the specialty finance, fintech and consumer finance sectors.

In a sizable deal, **Orix Corp. USA** paid \$776 million for a 71% stake in **Hilco Global**, a global financial services firm that manages a private credit business and specializes in distressed assets. Orix said the addition of Hilco will be the foundation of a new asset-based lending business combining Hilco’s “expertise in and access to tangible and intangible assets with Orix USA’s capital and lending capabilities.”

Within Europe, **M&G** of the UK acquired 70% of **P Capital Partners**, a Swedish direct lender to non-sponsored firms in Northern Europe. M&G, a savings and investment manager, said P Capital will strengthen its existing private and structured credit business (AUM: £19 billion) by adding a corporate non-sponsor business that can offer returns in the 12% to 15% range. In turn, P Capital will benefit from M&G's global distribution platform and access to permanent capital via the firm's relationship with insurer **Prudential**, M&G's onetime parent. P Capital has raised €7 billion since its founding in 2002. Noting that in the U.S. some 80% of lending to mid-cap companies is generated by non-banks vs. 35% in Europe, M&G CEO Joseph Pinto told IPE, "This shows you the potential for private credit and non-sponsored lending [in Europe]."

Sovereign wealth funds are also teaming up with private credit firms, in some cases in partnership with general partner stakes investors. Abu Dhabi's **Mubadala Investment Company** was one, continuing its aggressive pace of deals by assuming a minority stake in European private credit investor **Hayfin Capital Management**. Mubadala was joined by **AXA IM Prime**, the two joining existing minority investor **Arctos Partners**, which supported Hayfin's management buyout earlier in the year. Hayfin (AUM: €32 billion) said the two new partners deliver "unique perspectives and resources" globally. Subsequently, **Samsung Life Insurance** acquired a minority share in Hayfin from Arctos, as Hayfin sought to further expand its institutional shareholder base.

Mubadala also entered a "strategic partnership" with **Fortress Investment Group** involving a \$1 billion investment in Fortress' private credit and special situations strategies. Mubadala holds

a significant stake in Fortress via a subsidiary. In another deal, state-owned Singaporean investment firm **Temasek** assumed a minority investment in **Nuveen Private Capital** as part of a partnership that includes permanent capital provider **Hunter Point Capital**. Hunter Point added a second deal involving a strategic financing relationship, with **Willow Tree Credit Partners** (AUM: \$5 billion). Willow Tree provides flexible capital structure solutions for sponsor-backed and non-sponsored middle-market businesses. The deal will allow Willow Tree to "scale [its] core direct-lending business rapidly," launch new strategies, and expand into the wealth channel.

Other major names that entered the M&A market included **Kayne Anderson Capital Advisors** via an investment in **SG Credit Partners**; **Rithm Capital**, which acquired **Crestline Management**; and **Man Group**, which acquired **Bardon Hill**. **Brookfield Asset Management** paid \$3 billion for the remaining 26% of **Oaktree** it did not already own; it paid \$4.7 billion for an initial 62% stake in 2019. Oaktree's AUM has climbed by 74% since then to \$209 billion.

For Man Group, the deal for **Bardin Hill** (AUM: \$3 billion) continues its expansion into private credit, in this case within the U.S. Private and public credit accounts for around one-quarter of Man Group's \$170 billion in AUM. Bardin Hill is an opportunistic and performing manager, the latter of which involves broadly syndicated CLOs. In 2023, Man Group paid \$183 million for a controlling interest in another U.S. private credit manager, **Varagon Capital Partners** (now **Man Varagon**).

## Data & More

### President and Chief Operating Officer **Jonathan Gray** on private credit, July 2025

#### Blackstone Private Credit / Liquid Credit Returns, 2025

1Q: 2.7% / 0.5%	LTM: 15.0% / 7.4%
2Q: 3.0% / 2.4%	LTM: 13.3% / 7.9%
3Q: 2.6% / 1.6%	LTM: 12.0% / 7.1%

“ I would say clients are recognizing that base rates have come down, short rates are likely to come down more, spreads have tightened gradually. But what I think the clients are enthused about, as we are as well, is that enduring premium between the liquid markets and private credit.... And so long as that continues to exist, I think this makes this a very attractive space.

In the second quarter for our insurance clients, we delivered that A-rated premium of 185 basis points, 190 over the last 18 months.... absolute returns may come down a bit but the relative premium for private credit and what private credit can do and how it can solve solutions for borrowers — that continues.

# Private Equity

As president and a 14-year veteran of **Brookfield Asset Management's** large private equity unit (AUM: \$150 billion), David Nowak's opinions on the state of the industry carry some weight. In comparing the current environment to 2011 when he joined BAM, Nowak acknowledged in a PitchBook interview last July that delivering results is more challenging. "There was this period when rates were low, debt was readily available, and a lot of financial engineering went into people earning their returns," he explained.

But the passing of that era doesn't translate into a future of less opportunity. "Now you have to work a little harder to find the value in order to drive the returns," he opined, adding, "It's still the highest-returning asset class strategy there is." The risk, he went on to explain, "is that you raise a lot of capital and you become undisciplined in how you deploy it."

With the industry sitting on \$1.6 trillion in dry powder as the 2025 year began, fundraising last year dropped to the lowest level (\$735 billion) since 2020, according to Private Equity International (PEI), an indicator that many investors were skeptical of the industry's ability to deploy capital prudently. The average amount of time funds took to reach a final close dropped to 18.5 months from 20.6 months in 2024, a marginal improvement that still lagged the five-year average of 15.7 months. On a more positive note, of the funds that held final closes in 2025, more reached or exceeded their targets (70%) than in any year since 2019.

"The fundraising markets remain both challenging and unusually bifurcated, with global macro uncertainty leading to continued softness in DPI [distributions to paid-in capital] impacting fundraisings, particularly at the larger end," Adam Turtle, CEO of fundraising advisory firm **Rede Partners**, told PEI last July. In its midyear report on the industry, Bain & Company notes that the DPI ratio for U.S. and Western European funds raised in 2018 has dropped from the historical benchmark of 0.8 times to around 0.6 times. "The lack of liquidity is a source of pain for both investors and firms," the consultant writes.

## Private Equity Fund Transactions

	2021	2022	2023	2024	2025
Number of Transactions	16	12	25	28	29
Combined Value (\$B)	\$6	\$10	\$4	\$2	\$15
Total Seller AUM (\$B)	\$130	\$70	\$248	\$74	\$464
Median Deal Size (\$M)	\$167	\$185	\$108	\$35	\$175
Median Seller AUM (\$M)	\$3,400	\$3,151	\$5,380	\$1,370	\$4,107

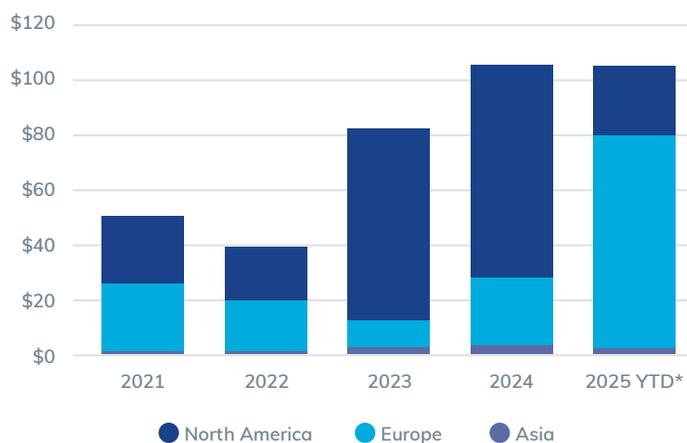
Excludes acquisitions of managers with less than \$250 million of AUM  
Source: Berkshire Global Advisors

Secondaries were a bright spot, however, collecting \$133 billion in the first nine months to top the full-year record of \$118 billion set in 2023, according to Secondaries Investor. Three of the top-10 private equity funds raised during that period were secondaries, led by **Ardian's** \$30 billion fund in the first quarter. One related deal in Europe saw **Wendel** continue the buildout of

its alternatives business by agreeing to pay €258 million (\$300 million) for 56% of global middle-market secondary specialist **Committed Advisors** (AUM: €6 billion). In 2025 and 2024, **Wendel** closed on acquisitions of private credit manager **Monroe Capital** and private equity manager **IK Partners**.

For its part, **Neuberger Berman** sounded an optimistic note last June, pointing out that while dry powder "is at record highs," it fell from two to 1.4 times transaction volume between 2022 and 2024, well below the three to four times prevailing in the primary private equity market. "Reflecting strong demand for secondary market liquidity from both LPs and GPs, transaction volumes continue to outgrow fundraising and we believe that the market remains undercapitalized," the asset manager wrote. Led by the U.S., a reviving global IPO market provided another hopeful sign: Third-quarter deal volume rose 19% and proceeds jumped 89%, according to EY.

## Secondaries Capital Raised (\$B) by Region



## Secondaries Fund Count by Region



Source: PitchBook \* As of September 30, 2025

## 10 Largest Private Credit Funds Closed, 2025

Fund	Capital Raised (\$b)	Closing	Strategy
Adrian Secondary Fund IX	30.0	1Q	Secondaries, Global
Thoma Bravo Fund XVI	24.3	2Q	Buyout, Software
Blackstone Capital Partners IX	21.7	4Q	Buyout, Global
AlpInvest Secondaries Program VIII	20.0	3Q	Secondaries, Global
Veritas Capital Fund IX	14.4	3Q	Buyout, Technology
Bain Capital XIV	14.0	4Q	Buyout, North America
Trident X	11.5	3Q	Buyout, Financial Services
ICG Strategic Equity Fund V	11.0	1Q	Secondaries, Global
Insight Partners XIII	10.2	1Q	Buyout, Software
Thoma Bravo Discover Fund V	8.1	2Q	Buyout, Software

Sources: Private Equity International, company reports

Within the industry's M&A market, permanent capital providers were among the most notable investors last year. Several of those deals involved specialized private equity firms, including those targeting healthcare and technology-enabled sectors. Bain & Company notes that middle-market healthcare funds between \$500 million and \$4 billion have historically outperformed the overall market and have been growing in size, raising \$59 billion in total between 2022 and 2024. In the first half of 2025, the value of healthcare-related buyouts worldwide rose 41% compared with the year-earlier period, according to Bain, but was slightly below 2024 on an annualized basis.

Technology-focused firms were also in play last year. In two of the four years through 2024, the technology sector led all others in global deal value (including venture capital and other fundraising), according to PitchBook, and accounted for 27% of the total during that period. In **Adams Street Partners'** 2025 survey of institutional investors and private markets, technology and healthcare were cited as the top two "most promising" sectors. "AI-driven innovation and digital transformation continue to fuel interest in these areas," the alternatives firm wrote.

**Technology-focused firms were also in play last year. In two of the four years through 2024, the technology sector led all others in global deal value**

One deal involving a specialist saw **Petershill**, a permanent capital investor, acquire a minority stake in **Frazier Healthcare Partners**, which targets the middle market of the healthcare sector. Petershill's investment will provide Frazier with "greater balance sheet flexibility." Frazier has raised \$11 billion since its

founding in 1991, including \$2.3 billion in its 11th flagship fund closed in 2024. In describing the fund in an interview with Mergers & Acquisitions, Ben Magnano, managing partner, said there will be "heavy investment in tech enablement," calling healthcare "one of the most ripe areas" for such investment. He also noted that the size of the fund allows for targeting larger firms and more co-investment opportunities for partners.

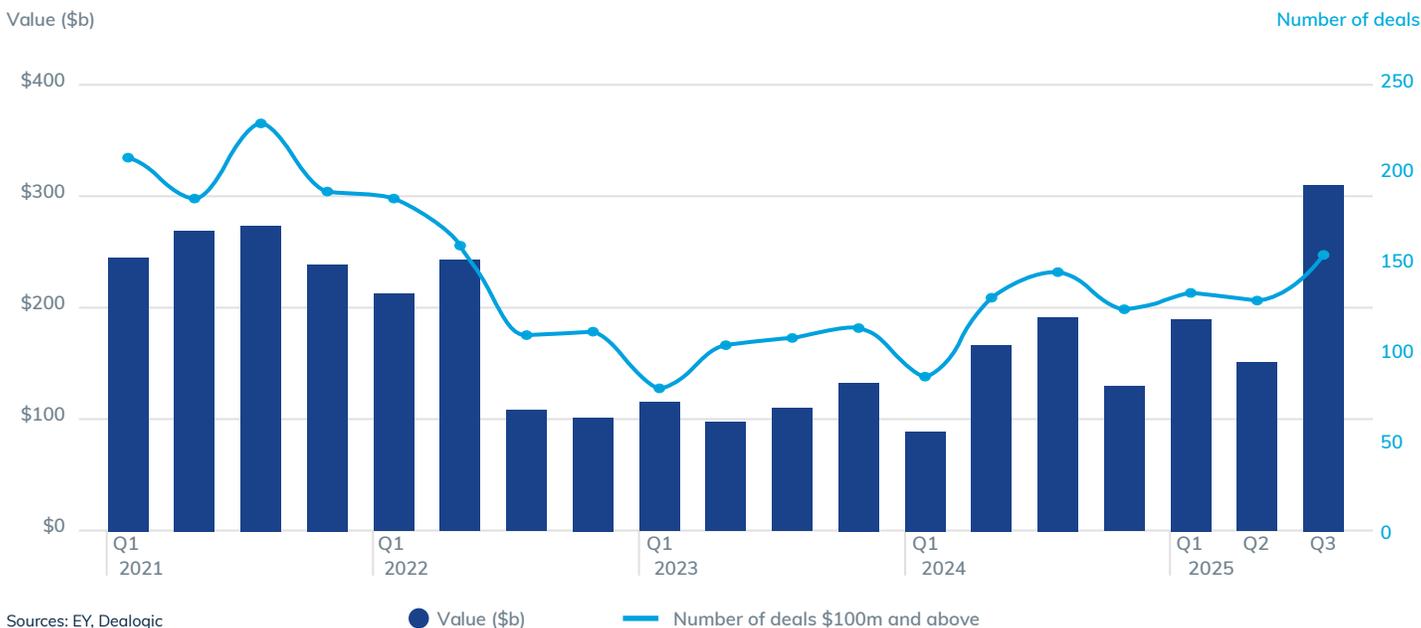
A cross-border healthcare-related deal saw Australia's **Navigator Global Investments** agree to pay a maximum total of \$71 million for a 23.5% stake in **1315 Capital** of Philadelphia. 1315 Capital has \$1 billion in AUM and provides growth equity and buyout capital to a range of "commercial stage" companies that it believes can attain the scale for acquisition or a public offering. NGI holds minority stakes in 11 other alternative boutiques with a total of some \$80 billion in AUM, the largest being Paris-based hedge fund **CFM** with \$17 billion.

**Blackstone** acquired a minority stake in another specialist: **American Industrial Partners**, an established middle-market investor across the industrial sector with \$17 billion in AUM. AIP has more than two-dozen companies in its portfolio. In 2023, the company closed its eighth fund capitalized at \$5 billion, \$2 billion more than its previous fund.

Startup **Pact Capital Partners** made minority investments in two specialized U.S. firms, the larger target being **Accel-KKR**, which focuses on the software and technology industries. The capital will be used for Accel-KKR's current investment strategies and continued growth. Accel-KKR provides a range of capital solutions for middle-market firms and has \$21 billion in cumulative capital commitments. The second deal involved **Graham Partners** (AUM: \$4.1 billion), which invests in firms engaged with advanced manufacturing and technology-enabled services.

Pact Capital was founded last year by private market veterans of McKinsey and Petershill with backing from **Reinsurance Group of America** and **Sackville Capital**. One of those founders, Christian von Schimmelmann, formerly Petershill's global co-head, touted the firm's focus on the middle market in an interview with Preqin last year. "A lot of the GP stakes activity to date has been focused on the larger end of the market," he said. "We believe that there is significant white space and a huge opportunity in the middle market, which is still in the early innings in terms of penetration and opportunity set."

## Global Private Equity



**AMG** acquired a minority stake in France's **Montefiore Investment**. Montefiore is an established investor in small- and mid-cap companies in the services sector with €5 billion in AUM, a total it aims to double by 2030. AMG praised the firm's "value-add approach" that has "successfully scaled portfolio companies from local players into sector leaders across Europe." Montefiore has recorded a 20% net annual internal rate of return over its 20-year history while presiding over a tripling of its portfolio companies' growth on average. In 2024, the company closed its sixth fund, having raised €1.4 billion and targeting companies valued between €100 billion and €500 billion. (See *Infrastructure and Real Estate* for other AMG deals.)

In a second transatlantic deal, **Sagard** of Canada acquired the private equity business of Switzerland's **Unigestion**, creating a combined platform with US\$23 billion in AUM. As part of the deal, **Unigestion Private Equity** shareholders gained a minority stake in Sagard. In an interview with IPEM, Sagard Chairman and CEO Paul Desmarais III called the deal "transformational," explaining that Unigestion PE "significantly increases the size of our business in Europe [and] forms a core part of our private equity solutions group," comprising primary, secondary and co-investment businesses. "Combined, we'll be creating a global leader in private equity solutions capable of addressing large institutional needs across the middle market." Sagard has a total of US\$44 billion in alternatives AUM.

Italy's **Azimut Group** increased its stake in **HighPost Capital** of the U.S. from 15% to 56%, cutting the deal through its U.S. subsidiary. Azimut said the deal "reflects the shared commitment of both companies to deepen their collaboration," which began when HighPost was formed in 2019. HighPost has \$640 million in AUM in two strategies: a buyout private equity fund; and a venture capital fund focused on consumer and consumer technology-enabled companies.

As part of the deal, Azimut added HighPost founders Mark Bezos (brother of Amazon founder Jeff Bezos) and David Moross to strategic roles within Azimut's U.S. subsidiary, as it seeks to expand its private markets business. Both founders also increased their stakes in Azimut. Azimut has more than €100 billion in AUM, including affiliates, about 10% in private markets and more than half in Italy; it has made expansion outside its home country a priority. (See *Traditional Investment Management* for another Azimut deal.)

Seeding platforms continue to provide capital to fledgling firms. In one such deal last year, perennial alternatives buyer **Wafra** made a "strategic investment" through its **Capital Constellation** platform in a technology-focused firm, **Niobrara Capital**. Niobrara (the name of a river in Nebraska), founded in 2024 by longtime tech investor Chip Schorr, targets midsize firms "benefitting from mega trends in the evolving technology landscape" and operating in the business-to-business sector.

In a second deal, **TPG** made a minority investment via its seeding arm in **Cohere Capital Partners**, an investor in lower-middle-market technology-enabled services companies. TPG said Cohere has "differentiated" itself with a "targeted investment strategy, partnership orientation, and focus on embracing complexity."

A third seeding platform, **Grafine Partners**, made two investments last year, including one in **Amberjack Capital Partners**, which makes control investments in lower-middle-market services businesses in two sectors: infrastructure and industrial; and waste and environmental. "We saw an interest from sophisticated investors who wanted to diversify away from just investing in mega-funds with something more niche and opportunistic," Elizabeth Weymouth, Grafine founder and managing partner, told *Emerging Manager Monthly* last year.

## Value creation

In TPG’s third-quarter conference call, CEO Jon Winkelried discussed the firm’s competitive edge in private equity.

“In private equity, institutional clients continue to face liquidity constraints and are consolidating their relationships among fewer GPs. Against this backdrop, we believe TPG is gaining share due to the consistently strong returns we’ve delivered. This has been driven by our focus on investing in deeply thematic areas and partnering with our portfolio companies to drive growth. Over the past decade, across our TPG Capital and TPG Growth funds, more than 80% of our value creation has come from earnings growth compared to less than half for the S&P 500, where over 40% of the value was driven by multiple expansion. This differentiation is resonating with our clients and driving continued fund-over-fund growth across our private equity strategies.”

## Real Estate

Although the commercial property market delivered some positive news last year, buyers of real estate asset managers remained focused on the more robust parts of the sector. One example is AMG, which made a minority investment in an established investor in last-mile logistics properties in major markets, **NorthBridge Partners** (AUM: \$2 billion). AMG CEO Jay Horgen told analysts that NorthBridge met its criteria of investing in “businesses and areas of secular growth,” noting that the firm focuses on “key trends like the e-commerce environment, accelerating demand for shorter delivery times, and the onshoring of supply chains.”

For NorthBridge, AMG provides growth capital and “access to strategic capabilities” while allowing for continued independence. In 2024, NorthBridge closed its fourth fund, which was oversubscribed at \$950 million, nearly double the amount in its third fund in 2021. AMG, which has been expanding its alternatives platform for years, had 44% of its AUM (\$804 billion) in private markets and liquid alternatives as of the third quarter of 2025, up from 30% in 2020, but those assets accounted for 52% of EBITDA over the last 12 months. (See *Infrastructure and Private Equity for other AMG deals*.)

**BlackRock** continued its aggressive pace of alternatives acquisitions — but its first deal for a real estate investment manager since 2013 — by purchasing **ElmTree Funds**, a U.S. triple-net-lease asset manager specializing in single tenant, build-to-suit industrial. BlackRock paid primarily in stock, with additional potential performance-based payments over five years. ElmTree (AUM: \$7.3 billion) will be wrapped into BlackRock’s Private Financing Solutions platform, formed last year following the closing of the acquisition of private credit manager **HPS Investment Partners**.

## Real Estate Transactions

	2021	2022	2023	2024	2025
Number of Transactions	26	23	10	16	23
Combined Value (\$B)	\$12	\$5	\$2	\$9	\$5
Total Seller AUM (\$B)	\$218	\$156	\$101	\$211	\$137
Median Deal Size (\$M)	\$110	\$89	\$100	\$164	\$68
Median Seller AUM (\$M)	\$2,977	\$4,268	\$1,678	\$9,056	\$1,863

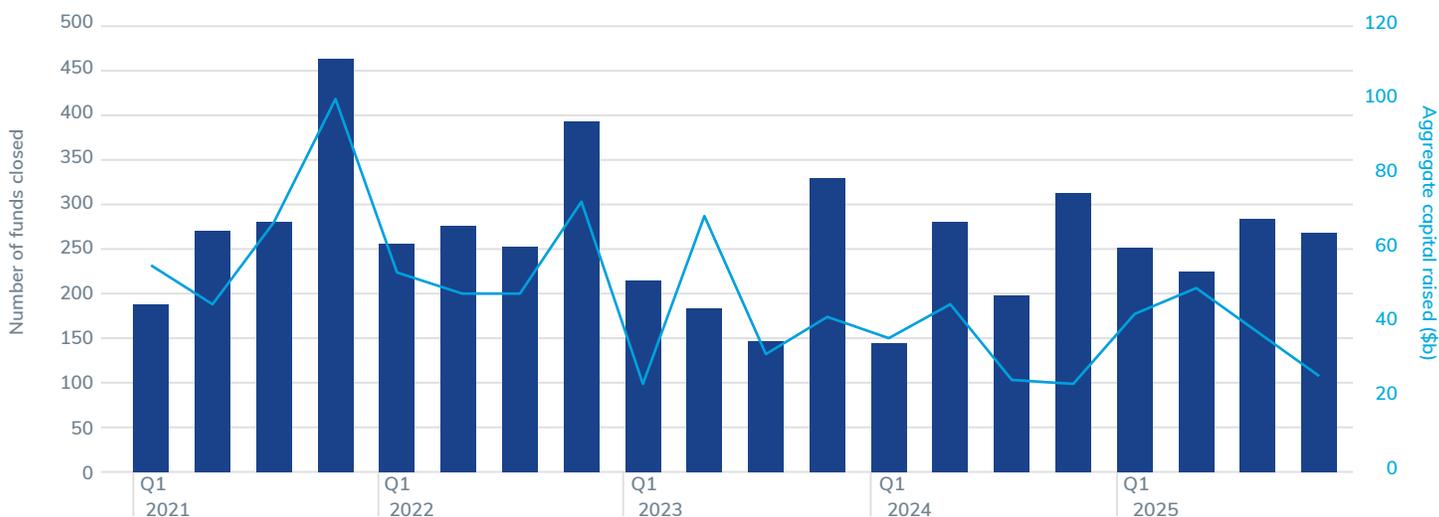
Excludes acquisitions of managers with less than \$250 million of AUM  
Source: Berkshire Global Advisors

BlackRock said the addition merges ElmTree’s “deep expertise and strong relationships in commercial real estate” with HPS’ “market expertise and existing capabilities as a leading credit investor.” In 2023–2024, ElmTree spent a total of \$2.5 billion on geographically diverse acquisitions amounting to 12 million square feet of industrial space. “These properties are the backbone of our economy, and are essential to the operations of Fortune 100 companies,” the company said in 2024. Industrial has been driving the U.S. net lease market of late, accounting for half of investment, according to CBRE.

In a third all-U.S. transaction with a specialist target, **Federated Hermes** acquired 80% of multifamily investor **FCP Fund Manager**, with management retaining 20%. The addition extends Federated’s real estate portfolio into the U.S., complementing an existing UK business. Federated paid \$239 million upfront, primarily in cash, and could add \$92 million more in earnouts over multiple years. The company placed the valuation at 13.7 times 2025 projected EBIDTA and anticipates an internal rate of return of 13.1%.

# Fundraising Grows Across 2025 Despite Slower Q4

## Global quarterly closed-end private real estate fundraising



Source: Preqin \* As of February 9, 2026

● Number of funds closed — Aggregate capital raised (\$b)

Prior to the deal, Federated had \$19 billion in private market assets, the largest percentage (29%) in real estate. FCP, which raised \$1.1 billion in its sixth and most recent fund closed in 2023, has \$3.8 billion in AUM and targets growth markets such as the Sun Belt. FCP cited its new parent's "commitment to building a private markets business" and the opportunity to "strengthen [our] institutional platform" and "growth trajectory."

In a cross-border deal involving an institutional buyer, **National Pension Service of South Korea** made its second deal for a real estate investment manager since 2023, acquiring a minority stake in Sweden's **Areim**. An independent partnership, Areim (AUM: €4 billion/\$4.7 billion) invests in a range of sectors in the Nordic region, including data centers, industrial and light logistics.

Areim founder Leif Andersson told PERE that NPS' investment will help it grow "at a little bit of a faster pace. Especially with the way the market is right now, I think it makes a bigger difference [to have a capital partner] than when everything is fantastic and the sun is shining." Last year, the company completed an additional capital raise for a Nordic data center fund, bringing the total to €900 million. One of the world's major real estate investors, NPS in 2023 acquired a minority stake in **Stockbridge Capital Group**, a U.S. firm focused on residential and industrial.

In a second deal involving an Asia-Pacific institution, **AustralianSuper**, that nation's largest superannuation fund, acquired a 50% stake in **Oxford Properties Group's** €840 million European industrial and logistics portfolio and in Oxford-owned **M7 Real Estate**. M7, acquired by Oxford in 2021, is a pan-European investor with €5.5 billion in AUM, two-thirds in the UK and nearly 90% in industrial/logistics and retail-related warehouses.

In 2024, M7 launched industrial/logistics joint ventures with **Centerbridge Partners** and **PGIM Real Estate** totaling €350 million. Owned by Canadian pension plan **OMERS**, Oxford has C\$81 billion (US\$60 billion) in AUM in a diversified and global real estate portfolio. Referring to M7, Oxford said AustralianSuper is a "significant and, importantly, a like-minded capital partner."

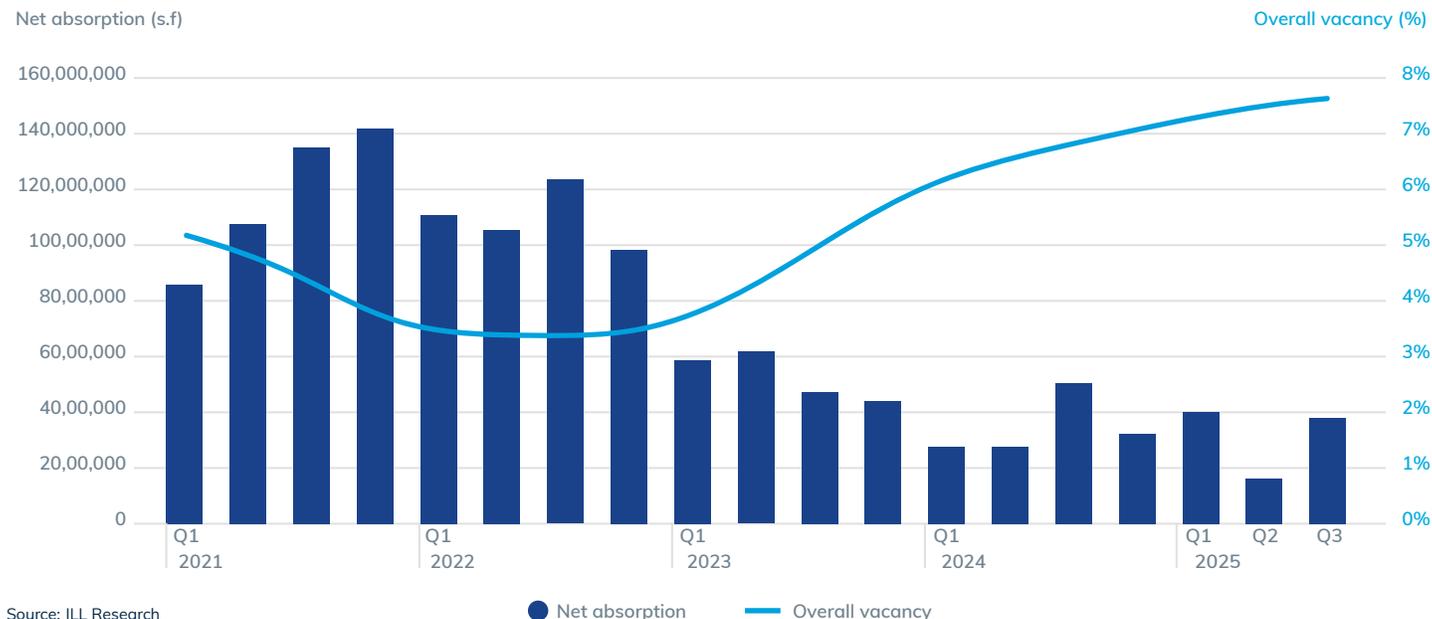
Australian supers as a whole could have investments outside the country totaling US\$2.6 trillion by 2035, or more than three times the current level, a report last year by infrastructure asset manager **IFM Investors** indicated. This includes \$1 trillion in the U.S. Of those overseas investments, \$390 billion is expected to involve private markets, primarily infrastructure and private equity. As of 2025, real estate accounted for 11% of the US\$140 billion in international private market investments among supers.

In a third cross-border deal, **Legal & General** acquired a 75% stake in **Proprium Capital Partners** of the U.S. Proprium has \$3.5 billion in AUM across a range of sectors worldwide, including student accommodation and logistics, with 60% of its portfolio in Europe. The deal tracks L&G's ambitions in "key growth markets" in Europe and Asia-Pacific and more generally private markets, where it aims to reach £85 billion (\$115 billion) in AUM by 2028, up from £57 billion in fiscal year 2024. L&G, which will commit up to \$300 million of capital to support Proprium investments, has a diversified portfolio of £22 billion in real estate AUM, the UK being the main market.

## The deal for Proprium Capital tracks L&G's ambitions in "key growth markets" in Europe and Asia-Pacific and more generally private markets

The deal follows a "strategic investment" L&G made in late 2024 in **Taurus Investment Holdings**, a multifamily and industrial investor in the U.S. and internationally. Speaking to investors last June, Eric Adler, CEO of L&G's asset management business, referenced the two deals, saying, "We've gone from a very strong UK-centric real estate investor ... with not a lot to talk about internationally. We now have a capability across the U.S., Europe and Asia at a time

# Industrial Market Absorption and Vacancy Rates



Source: JLL Research

when we're at a low point in the real estate cycles. We are now prepared from a capability standpoint to catch the inevitable wave that always comes in real estate."

**Barings** opted for a diversified manager via its acquisition of **Artemis Real Estate Partners**, which has \$11 billion in AUM. Barings praised Artemis for "consistently deliver[ing] strong returns throughout multiple economic cycles." Barings' parent **MassMutual** also noted that the deal will provide it with "additional investment opportunities in new, diversified assets" for its general account. Barings has \$50 billion in global real estate AUM, more than half in debt, and in total \$420 billion, three-quarters in public and private fixed income.

Since its founding in 2009, Artemis has made more than 300 investments across a range of sectors and strategies and has partnered with both established and emerging managers. One deal just prior to the Artemis announcement involved an initiative with **Blackstone** to recapitalize a manager with a rental portfolio in Phoenix and Denver. In that transaction, Artemis operated as a preferred equity investor. In 2023, Artemis closed its fourth value-add fund with \$2.2 billion in equity commitments. The company said the connection with Barings will "meaningfully increase access to capital across the risk spectrum." (See *Traditional Investment Management for another Barings deal.*)

**Mitsubishi Estate Global Partners** acquired a majority stake in value-add and opportunistic pan-European manager **Patron Capital Partners** as part of an effort to expand its business in that region. In addition, Mitsubishi is providing €600 million in capital for Patron funds as well as financing for new strategies such as real estate credit. Prior to the deal, Mitsubishi had 90% of its ¥6.1 trillion (\$40 billion) AUM in Japan and the U.S., but had begun construction on two London office buildings in a project valued at ¥248 billion.

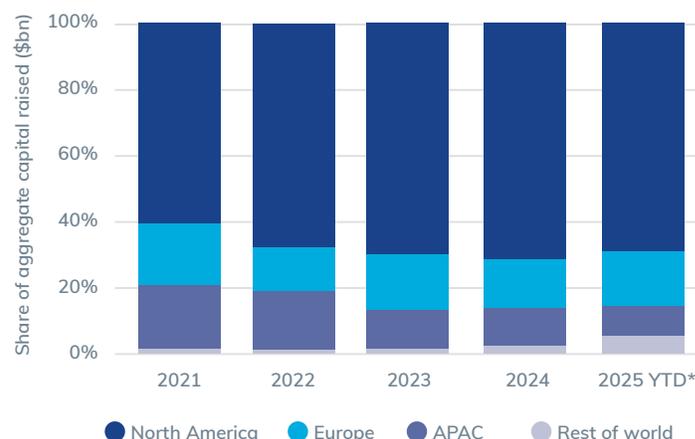
Established in 1999, Patron (AUM: €4.6 billion) closed its seventh flagship fund in 2024, raising €860 million. The company has recorded a 15% average gross internal rate of return since its founding. "There is a view that there is real opportunity in

European real estate markets at the moment," Keith Breslauer, founder and managing director of Patron, told PERE. "If you are [a prospective buyer] you are probably looking for a partner who can originate good investments, who is independent, and who is still in the market."

ETF provider **WisdomTree** entered a niche part of the arena with the acquisition of **Ceres Partners**, a top-five investor in U.S. farmland. Ceres (AUM: \$1.9 billion) has some 545 farmland properties, primarily in the Midwest, and has delivered a 10.3% net average annual total return since its founding in 2007. In the conference call with investors, WisdomTree founder and CEO Jonathan Steinberg said farmland posed "minimal competition from major asset managers" and offered scalability, adding that there is a "credible path" to managing \$10 billion in such assets over the next 10 years. (See sidebar for more on Steinberg's comments.)

## Real Estate Fundraising

Share of real estate capital raising by region-focused funds



Source: Preqin \* As of October 2025

For its part, Ceres touted the “product innovation, scale and distribution” its new parent can provide “to reach more investors seeking resilient, inflation-hedged and income-generating real assets.” WisdomTree, which said it aims to raise more than \$750 million in farmland strategies by 2030 (with 1% base and 20% performance fees), paid \$275 million in cash upfront. The company could add another \$225 million in earnout payments by 2030 based upon compound annual average revenue growth of 12% to 22%. Separately, WisdomTree announced a “strategic collaboration” with **Korea Investment Management** involving the launch of three dividend-focused U.S. ETFs in South Korea.

The largest deal in the sector was done by **Apollo Global Management**, which paid \$1.5 billion in stock for **Bridge Investment Group**. The deal boosts Apollo’s real estate AUM by adding \$45 billion in complementary strategies to the \$77 billion Apollo already managed in real estate debt and equity. Bridge, with \$50 billion in total AUM, will operate as a standalone platform within Apollo while retaining its branding

and management and capital formation teams. Publicly traded since 2021, Bridge has a diverse U.S. real estate portfolio, with opportunity zone, multifamily and workforce/affordable comprising 45% of AUM and credit strategies 32%. Since 2021, AUM has risen by more than one-third and fee-earning AUM by two-thirds. Bridge extended its reach into the private equity secondaries market in 2023 by acquiring **Newbury Partners**, which had \$5 billion in AUM at the time.

About half of Bridge’s investors have tapped multiple strategies and three-quarters are repeat investors. Among those investors are wealth managers, a market that Apollo is aggressively targeting. At the same time, Bridge’s share price struggled after a post-IPO bump. Apollo’s offer represented a 45% premium to Bridge’s share price prior to the announcement. Bridge Executive Chairman Bob Morse said Apollo’s “global integrated platform, resources, innovation and established expertise” will position his company “for the next phase of growth.” (See *Credit and Infrastructure for additional Apollo deals.*)

## VERBATIM

### Risk mitigation and inflation protection

## In the second-quarter conference call, WisdomTree founder and CEO Jonathan Steinberg discussed the acquisition of Ceres Partners.

Excerpts follow



#### STRATEGY

WisdomTree has long been levered to ETFs and models, and is a pioneer in tokenization with our efforts over the past five years. This acquisition adds another secular tailwind to our platform — private markets — and specifically, U.S. farmland, which we believe is one of the most stable and underpenetrated asset classes in all of asset management.

#### COMPETITION

[This] is such an attractive asset class. I think it’s underappreciated. And to your point about not having to compete with the Blackstones and the BlackRocks of the world, it really is pretty extraordinary that a \$3.5 trillion market that’s so highly fragmented with such attractive return potential and ... we’re competing with the Mormon Church. They’re the largest owner of farmland.

#### CYCLES

[During] three major extended equity drawdowns — the 2000 technology bust, the 2008 financial crisis, and the 2022 rate-hiking cycle — while equities declined between 18% to 46% during those drawdowns, farmland returned positively between 17% and nearly 30%.

#### RETURNS

Farmland delivers equity-like total returns — approximately 10% per year with significantly less volatility. These returns are driven by both appreciation and a strong income component with unlevered rental yields between 4% and 5%. What’s more, farmland has powerful diversification characteristics.... returns are negatively correlated with equities and other traditional asset classes while being positively correlated with inflation. That makes farmland not just a performance play but also a tool for risk mitigation and inflation protection.



# Infrastructure

Following a challenging 2024, when infrastructure fundraising dropped for the second straight year, the sector rebounded in 2025. The first quarter set the stage as fundraising climbed 45% above the previous year to \$48 billion, according to Infrastructure Investor. The total was driven by the close of **EQT's** sixth such fund of €21.5 billion (\$25 billion), a 35% increase over the predecessor fund that closed in 2021 and the largest such fund ever raised in Europe. It also drew 70% of the capital from previous clients.

Gustav Segerberg, EQT head of business development, told investors last April that “an environment of uncertainty” delayed the close, but pointed out that ultimately “we have surpassed both the target and reached the hard cap.” Through the next two quarters, fundraising grew stronger still. By midyear, the tally of \$125 billion was almost on par with the full-year 2024 total, according to Preqin, and included one additional fund of \$25 billion from **BlackRock**, with **Brookfield Asset Management** adding a \$20 billion close in the third quarter.

At the start of 2025, McKinsey's limited partner survey showed that more investors planned to increase their allocation to infrastructure than any other alternative sector. The consultant also described the “hybridization” of infrastructure assets, citing the convergence between energy and data as the primary example. McKinsey figures the demand for data center power will more than triple by 2030 to 219 gigawatts. In the first quarter of last year, **Harrison Street** closed its first dedicated digital assets fund of \$600 million while **Principal Asset Management** closed a \$3.6 billion fund focused on U.S. hyperscale data center projects. Meanwhile, Preqin in its 2025 half-year report said that infrastructure delivered a return of 10.4% on a three-year annualized basis, the highest among the private markets asset classes.

## Infrastructure Transactions

	2021	2022	2023	2024	2025
Number of Transactions	5	5	11	13	13
Combined Value (\$B)	\$0.9	\$1.6	\$5.1	\$14	\$7
Total Seller AUM (\$B)	\$81	\$43	\$287	\$179	\$332
Median Deal Size (\$M)	\$85	\$374	\$184	\$86	\$154
Median Seller AUM (\$M)	\$2,600	\$6,459	\$5,000	\$5,044	\$7,800

Excludes acquisitions of managers with less than \$250 million of AUM  
Source: Berkshire Global Advisors

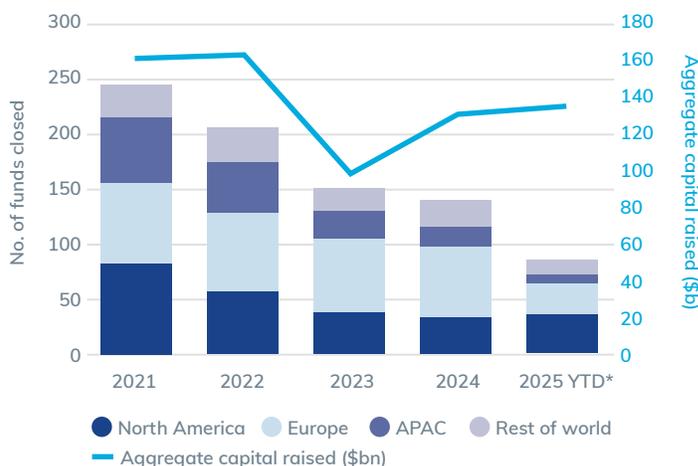
Deal-making in the sector continued the active pace that began in 2023. **Apollo Global Management** expanded its small infrastructure business by acquiring North American mid-market investor **Argo Infrastructure Partners** (AUM: \$6 billion), which focuses on power generation, digital and transportation, among other industries. In discussing the deal with analysts, CEO Marc Rowan said Apollo was gaining an experienced team while Argo gains “the opportunity to now originate” in areas such as debt

and lower-risk, lower-reward equity “across a much larger scale platform.” Rowan added that Apollo planned to “continue to build origination capabilities in our hybrid and real asset businesses.” Apollo is raising capital for its third Infrastructure Opportunities fund, targeting more than \$4 billion (see sidebar for more).

A second publicly traded alternatives giant, **TPG**, used equity to pay for most its \$660 million acquisition of **Peppertree Capital Management**, the largest pure-play wireless tower specialist in the U.S. TPG, which could pay another \$300 million in performance-based earnouts, placed the valuation at 12 times 2024 after-tax fee-related earnings, including performance-related earnings for both historical and future funds.

## Global Number of Closes Drops, Capital Raised Climbs

Unlisted infrastructure funds closed, by primary geographic focus



Source: Preqin \* As of October 2025

Peppertree has \$7.7 billion in AUM and has made more than 175 investments via 10 flagship funds, the largest of which closed in 2023 with \$2 billion. The company has generated a net realized internal rate of return of 16% since its founding in 2004. TPG CEO Jon Winkelried told investors Peppertree “is highly complementary” to its existing communications investments, adding, “As an industry leader, Peppertree provides us immediate scale in the tower and network infrastructure development space.”

**Future Standard** acquired the digital infrastructure platform of **Post Road Group**, calling the deal “a significant expansion” of its business “in one of the fastest-growing segments of the private markets.” Post Road’s platform specializes in credit and structured equity investments and has \$2 billion in AUM. Prior to the deal, Post Road closed a \$500 million digital infrastructure fund designed to help “exceptional” management teams “scale their businesses.” The divestiture will allow Post Road to focus exclusively on its real estate investment business. Future Standard is a diversified alternatives firm with \$86 billion in AUM. Formerly FS Investments, the company rebranded last year, two years after a merger with Portfolio Advisors created a firm serving institutions as well as wealth managers.

## 10 Largest Infrastructure Funds Closed, Q1 - Q3 2025

Fund	Manager	Capital Raised (\$b)	Closing	Strategy
Global Infrastructure Partners V	BlackRock	25.2	2Q	Core-plus
EQT Infrastructure Fund VI	EQT	25.2	1Q	Value-add
Brookfield Global Transition Fund II	Brookfield Asset Management	20.0	3Q	Value-add
Copenhagen Infrastructure Partners V	Copenhagen Infrastructure Partners	13.9	1Q	Core-plus
Blue Owl Digital Infrastructure Fund III	Blue Owl Capital	7.0	2Q	Value-add
Macquarie Infrastructure Partners VI	Macquarie Asset Management	6.8	2Q	Core-plus
Strategic Partners Infrastructure IV	Blackstone Strategic Partners	5.5	3Q	Secondaries
North Haven Infrastructure Partners IV	Morgan Stanley Investment Management	4.1	1Q	Core-plus
Asterion Industrial Infra Fund III	Asterion Industrial Partners	4.0	3Q	Value-add
iCON Infrastructure Partners VII	iCON Infrastructure	3.7	3Q	Core-plus

Sources: Infrastructure Investor, company reports

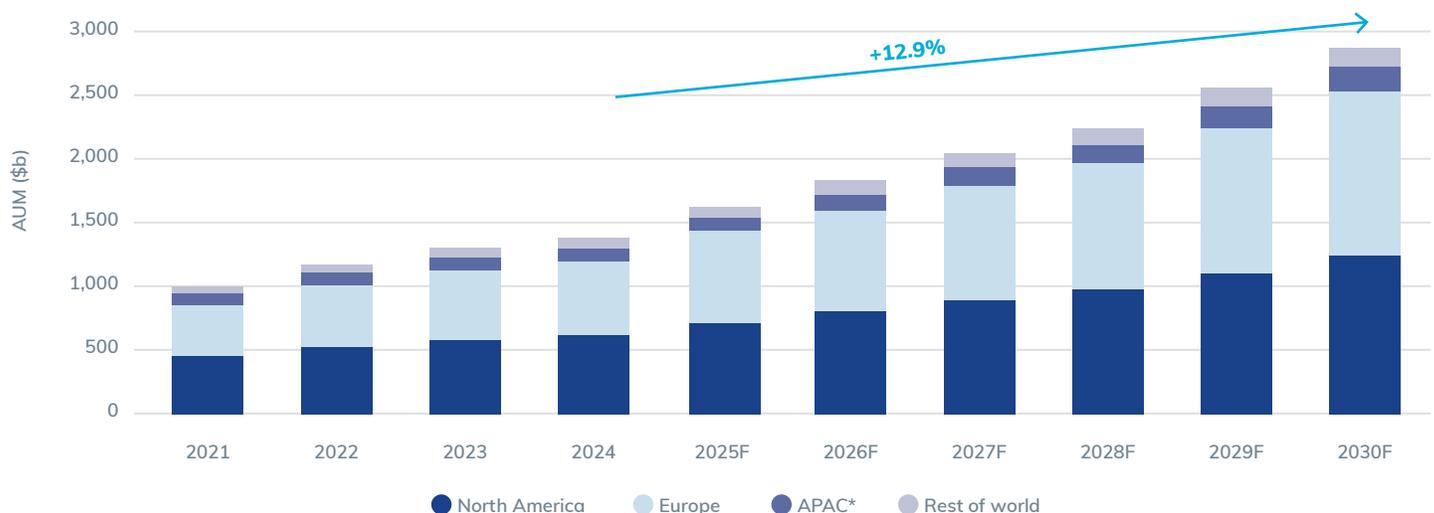
In a transatlantic deal, **AMG** added to its portfolio of alternatives managers by acquiring a minority stake in **Qualitas Energy**, an investor in renewables with some €3.5 billion (\$4 billion) in AUM. Qualitas closed its fifth fund in 2022 with €2.4 billion in capital and in 2024 launched its first credit fund targeting €500 million. One investment last year from the credit fund took place in Qualitas' home market of Spain, involving €35 million in financing for the construction of solar projects.

AMG CEO Jay Horgen told investors last May that Qualitas has a "distinctive competitive position" driven by an "opportunistic value-added approach, a vertically integrated industrial platform, and locally based teams with deep knowledge of their respective geographic regions." Prior to the Qualitas deal, AMG counted 10 private markets managers among its affiliates. As of 2025 third quarter, private markets accounted for 18% of AMG's \$804 billion in AUM but 23% of EBITDA over the last 12 months. AMG also made investments last year in hedge fund, private equity and real estate asset managers (see *Private Equity and Real Estate*).

Within the UK, **Royal London** acquired **Dalmore Capital** in a bid to broaden its private market capabilities, with one report placing the price at around £130 million (\$175 million). As part of the deal, Royal London committed to investing up to £500 million in future Dalmore funds. Dalmore (AUM: £6 billion) has a diverse portfolio of "lower volatility" infrastructure investments, among them such socially responsible assets as 24 wind farms in the UK and hydro-generation projects in Scotland. Royal London has £170 billion in AUM.

In a cross-border deal with a UK target, **Hunter Point Capital** acquired a 16% stake in **Equitix**, which has nearly £12 billion in AUM in a diversified infrastructure portfolio, including transportation, renewable power and data. The deal implied an enterprise value for Equitix of £1.3 billion. Hunter Point, which in 2024 raised \$3.3 billion in its most recent fund, acquired part of the stake owned by London's **TFG Asset Management**. A longtime investor in Equitix, TFG said the deal enabled it to "realize some of the value created in the business while remaining invested with a trusted partner." Following the deal, Equitix closed its second European Infrastructure Vintage fund with £1.4 billion in capital.

## Infrastructure on Fast Track



Source: Preqin, as of October 2025.

\* AUM figures exclude funds denominated in yuan renminbi

## Expanding the “origination engine”

### In the first-quarter conference call, Apollo Global Management CEO Marc Rowan discussed the acquisition of Argo Infrastructure Partners.

Excerpts, with minor edits, follow



#### RATIONALE

One of the things that we have begun to do this year is to figure out how to expand our origination engine. In certain parts of our business — for instance in infrastructure — we have decided to do some modest M&A.... [Argo] will add some \$6 billion of high-quality AUM to our platform, but the single most important factor in deciding to absorb Argo is the Argo team.

#### EXPANSION

Argo adds 20-plus originators with a proven track record who ... have been originating against a relatively small box, \$6 billion of AUM.... What they’re getting is the opportunity to now originate not just in the sectors they’ve been originating, but to originate debt, hybrid, lower-risk, lower-reward equity, and across a much larger scale platform. You should expect us to continue to build origination capabilities in our hybrid and real asset businesses and in places where we are growing but not yet at scale.

A few months after the Apollo deal, [Argo Managing Partner Jason Zibarras](#) talked shop with Nasdaq, highlighting one investment that also served as a location for a popular 1993 movie.

#### HOLLYWOOD

Argo has a 50-50 partnership with Brookfield Asset Management where we co-own the Smoky Mountain hydro facilities located in east Tennessee and western North Carolina. It is a great asset that has a 10-year power purchase agreement with the Tennessee Valley Authority. In addition, in Q4 of 2024 we completed an up-sized debt financing agreement. In fact, one of the Smoky dams featured in a movie with Harrison Ford and Tommy Lee Jones, ‘The Fugitive,’ where Harrison Ford jumps off the dam.



## Wealth Management

In its latest Global Wealth Report, BCG fired a warning shot at the largest wealth managers: You need to do more to drive organic growth. While wealth managers’ AUM more than doubled between 2014 and 2024, they generated just 28% of that growth organically, a number that drops to 22% in Europe and North America. “The limiting factor for many firms isn’t opportunity, but their ability to capture it from within,” the consultant writes.

During the decade BCG studied, which drew on data from more than two-thirds of the world’s top 200 wealth managers by AUM, M&A and new advisors (and their accounts) made up 40% of AUM growth while portfolio appreciation delivered another 32%. But in North America, appreciation delivered half of AUM growth while in Europe new advisors accounted for half. Asia-Pacific and Latin America stand out for recording half their growth organically.

Even as markets push assets to new heights — global financial wealth rose 8% to \$305 trillion in 2024 — BCG points out that the performance of net new assets “has become one of the most reliable indicators of valuation multiples.” Indeed, NNA

## Wealth Management Transactions

	2021	2022	2023	2024	2025
Number of Transactions	201	201	181	227	345
Combined Value (\$B)	\$14	\$12	\$19	\$35	\$52
Total Seller AUM (\$B)	\$1,389	\$621	\$1,257	\$2,408	\$2,732
Median Deal Size (\$M)	\$25	\$20	\$19	\$20	\$18
Median Seller AUM (\$M)	\$1,097	\$900	\$840	\$900	\$842

Excludes acquisitions of managers with less than \$250 million of AUM  
Source: Berkshire Global Advisors

expectations are a more significant factor than improving profitability, accounting for about half the variation in price-to-earnings multiples. “Simply put, the ability to grow from attracting and retaining client assets is now seen as the single most important driver of long-term value creation,” BCG writes.

Capgemini also flashed a warning sign in its latest World Wealth Report as it highlighted the \$84 trillion of wealth that generations from ages 12 to 59 are poised to inherit between around 2030

and 2048. Noting that “next-gen” high-net-worth [HNW] clients “often switch” their parents’ firms after receiving inheritances, Capgemini opines that advisors “lack the advanced tools and integrated technologies to support” the “highly personalized, multi-generational, geographical, and asset advisory services” necessary to “deepen client relationships and fully capture the wealth transfer opportunity.”

The latest survey by the Investment Adviser Association (IAA) of the U.S., covering all SEC-registered advisors and including non-HNW clients, does show advisors making steady progress in the world’s largest wealth market, however. The number of clients using advisors has grown every year since 2018 to total 60 million, including a 5.4% gain in 2024. The number of advisors going beyond portfolio management to offer such services as financial planning (45% of SEC-registered advisors) and pension consulting (22%) is also climbing. And advisors are increasingly capitalizing on social media in all its guises: LinkedIn, the most common platform, is used by 62% of advisors, nearly double the level in 2016.

In explaining his decision to sell last year, the head of **Schechter Investment Advisors** (AUM: \$4 billion) underlined the importance of client relationships suggested by BCG and Capgemini. “I found all of a sudden 60% of my time is spent running our business and 40% with clients,” CEO Marc Schechter told WealthManagement.com last June following a sale to **Arax Investment Partners**. “And I personally enjoy the client-facing experience more. I like working internally with our advisors, but I don’t like dealing with the guts of the operation and what’s needed to grow. We’re at \$4 billion. We really had a vision of growing to \$10 billion organically, maybe some inorganic, and I didn’t want to keep doing that with only spending 40% of my time with clients.”

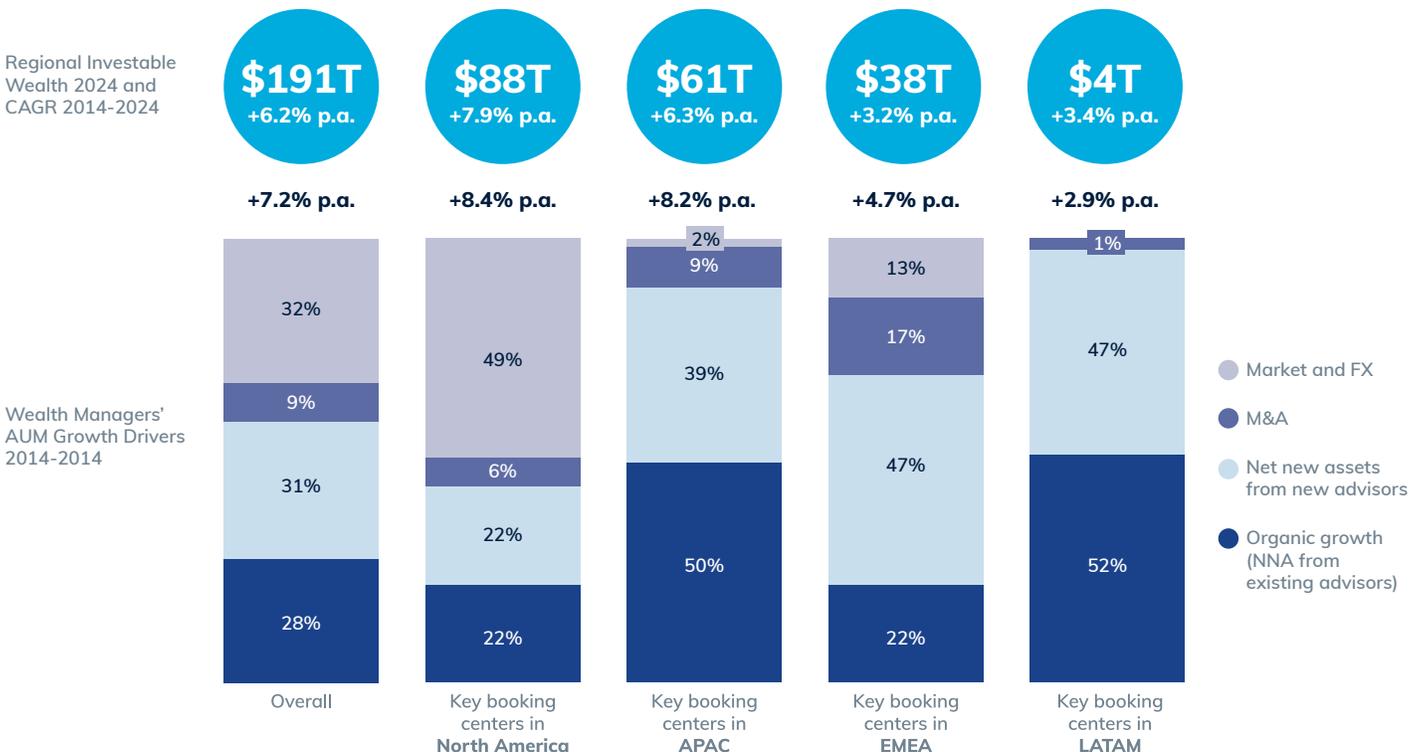
Michigan-based Schechter Investment was one among a record 345 deals worldwide last year, the number shredding the previous high of 227 in 2024 (excluding deals for managers with less than \$250 million in AUM). Along those lines, IAA data show that the big keep getting bigger. Firms with more than \$5 billion in AUM manage 93% of industry assets and the 231 largest manage 68%, the latter number 14 percentage points higher than in 2015 (see sidebar for more data).

One of those firms, the rebranded **Focus Financial Partners**, made its largest acquisition since the 2023 buyout from **Clayton, Dubilier & Rice**, acquiring a 62-year-old Los Angeles firm, **Churchill Management Group**. Churchill has \$9.4 billion in AUM and serves 7,000 clients with a minimum of \$750,000 to invest through a network of more than 50 offices. The deal was done through **Focus Partners Wealth**, one of five “hubs” Focus Financial Partners rebranded at the start of 2025 as part of the reorganization of its sprawling portfolio of some 90 firms. Churchill will retain its branding “for a period of time” before transitioning into the FPW name.

The largest of the hubs, FPW can provide a broader range of services for its wealth management partner firms in such areas as tax and family offices services. Soon after the Churchill deal, a longer-term affiliate, **Bordeaux Wealth Advisors** of Silicon Valley (AUM: \$5.6 billion), also joined FPW. Another hub is **SCS Financial**, which incorporates a family office and an outsourced chief investment officer function.

**Hightower**, backed by **THL Partners**, made investments in several firms last year, among them **Smith Anglin** of Dallas. Founded in 1967 as an accounting firm, by 2000 Smith Anglin began offering financial planning services to airline pilots, an industry niche it has built upon in the years since. Hightower praised the

## Growth Drivers for Wealth Managers by AUM



Source: BCG Global Wealth Market Sizing, 2025

firm, which has made several of its own acquisitions, for having “demonstrated impressive organic growth over the last few years.” Since 2020, Smith Anglin’s AUM has doubled to \$2 billion. In a second deal, Hightower added to its footprint in California and New York City through the acquisition of **Lindbrook Capital** (AUM: \$3.8 billion). The company also had a changing of the guard: CEO Bob Oros, who since 2019 helped drive Hightower’s growth via dozens of transactions, stepped down in favor of Larry Restieri. Restieri came over from his post as head of **Goldman Sachs’** workplace financial planning and wealth management unit, **Ayco**.

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I think a lot of advisors  
want to control everything.  
And then, in order to build scale,  
you got to be able to let things go.



Marcum CEO Eric Wulff

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**Wealth Enhancement** remained an active consolidator, cutting six deals in the first three quarters. The largest by far was for a Cleveland firm, **Marcum Wealth**, with \$3 billion in AUM. The company has multiple offices in Ohio and a presence in three other states. In a 2024 Financial Advisor Success podcast, Marcum CEO Eric Wulff discussed the challenge of building an RIA, saying, “I think a lot of advisors want to control everything. And then, in order to build scale, you got to be able to let things go.... to trust your planning team, trust your research team, trust your trading team to be able to do their roles as part of the process, and finding really good people to fulfill those roles.” Formed in 2020 via the merger of three firms, Marcum Wealth had been part of accounting firm Marcum, which was acquired by another accounting firm, **CBIZ**, in 2024. Wealth Enhancement is backed by Canada’s **Onex** as well as **TA Associates**.

Other familiar buyers included **Allworth Financial**, **Beacon Pointe Advisors**, **Captrust**, **Carson Group**, **Cerity Partners**, **Creative Planning** and **Mercer Advisors**. Combined, strategic acquirers accounted for nearly nine of out every 10 deals in the first three quarters, a level that has remained consistent in recent years. Another of those, **EP Wealth Advisors**, added a second backer in **Ares Management**, which joined **Berkshire Partners** as a minority investor. But Creative Planning cut the largest deal of the group by assets in acquiring retirement advisory firm **SageView Advisory Group**, including the majority stake held by **Aquiline Capital Partners**. SageView is an RIA primarily focused on consulting work for defined contribution plans.

The deal significantly expands CP’s existing retirement business while enhancing its wealth management practice. SageView adds \$250 billion in assets (more than 80% on a non-discretionary basis) to the \$370 billion CP already managed and advised, \$200 billion of which is in retirement plan assets. The enlarged firm will serve 80,000 private wealth clients in the U.S. and 90 other countries and 11,800 retirement plans. CP has made several other deals for retirement plan advisors in recent years, the most significant in 2021 for Lockton, which had \$110 billion in assets at the time.

“I think you hear a lot about [the convergence],” Peter Mallouk, president and CEO of CP, told the National Association of Plan Advisors. “I don’t feel that anyone’s really nailed this yet. But I think if you want this to work, you have to be extremely strong in building a bridge from wealth to retirement and retirement to wealth.... And I think that this acquisition of SageView really solidifies the other side of the bridge.” CP also entered the UK at year-end via an agreement to acquire London’s **Maseco Private Wealth**, which serves British and American expatriates. Maseco has nearly \$5 billion in AUM.

Acquisitive **MAI Capital Management**, owned by financial services distribution platform **Galway Holdings** (which is backed by several private equity firms), cut its largest-ever deal in buying **Evoke Advisors**. The combination builds a firm with more than \$60 billion in assets, \$35 billion from MAI (mostly AUM), and 30 offices nationwide. The two firms serve an ultra-HNW clientele as well as institutions. “We view it as a transformational opportunity for MAI and Evoke to come together to really create one of the best firms in the industry,” Rick Buoncore, chairman and CEO of MAI, told AdvisorHub. The acquisition, completed last November, marked MAI’s 17th completed deal since 2024. More typical of MAI’s targets are four firms with AUM ranging from \$245 million to \$612 million that were acquired around the time of the Evoke deal.

Among private equity firms, **Madison Dearborn Partners** made the largest deal last year, paying around \$2.7 billion for a “significant majority” of **NFP’s** wealth business owned by global insurer **Aon**. The business consists of several entities with a combined \$580 billion in assets, 85% in retirement plans. Madison Dearborn subsequently wrapped the various businesses under one of those brands, **Wealthspire**. Madison Dearborn acquired insurance broker and wealth manager **NFP** in 2013 before selling the firm to Aon in December 2023. The acquired business recorded \$127 million in EBITDA in the 12 months through June 2025.

The influence of the deep-pocketed consolidators notwithstanding, many mid-size managers continue to prize independence. One such New York firm, **Snowden Lane Partners**, executed a buyout of “a significant portion” of the stake held by **Estancia Capital Partners**, a lower-middle-market investor in financial services, including asset and wealth managers. Estancia made its initial investment in Snowden in 2013, two years after Snowden’s founding.

Snowden, with \$12 billion in assets, said the transaction — which left employees and other shareholders with a two-thirds stake — reflected a “commitment to advisor and employee ownership.” In December 2024, Snowden introduced a succession program for its advisors nearing retirement that provides payments over five years for their books of business. “I absolutely think this is a great

recruiting tool,” CEO Rob Mooney told Financial Advisor at the time. “We feel it’s a nice differential in the marketplace for a firm that is recruiting-based like we are.”

## Pitcairn made the first acquisition in its 102-year history, buying Brightside Partners, an ultra-HNW firm with \$2.5 billion in assets

Taking a different approach, **Balentine** sold a 20% stake to **FJ Management** to “secure” its independence while “positioning itself for future growth.” Based in Atlanta, Balentine serves 300 clients, primarily business owners, and has more than \$8 billion in AUM. Balentine praised FJM as a long-term investor aligned with its own “vision and values.” Chairman Robert Balentine sold a previous wealth management business in 2002 to **Wilmington Trust** and remained with the new parent until starting up Balentine in 2009.

An established Cleveland-based independent, **Carnegie Investment Counsel**, added \$1.3 billion in assets to the \$5 billion it already managed and advised by acquiring **Eagle Ridge Investment Management** of Connecticut. Eagle Ridge said the deal will add resources and investment products “while maintaining the high-touch, personalized approach [our clients] have come to expect.” For Carnegie, the addition meets a strategic objective of expansion in the Northeast, where it has an office on Long Island, N.Y., and three in Pennsylvania.

**Pitcairn** made the first acquisition in its 102-year history, buying **Brightside Partners**, an ultra-HNW firm with \$2.5 billion in assets that boosts Pitcairn’s total to \$9 billion. Pitcairn, structured as a family office and trust company, also launched an RIA in which to wrap most of those assets. In addition to assets and clients, Brightside delivers a comprehensive network of alternatives relationships. In 2024, Canadian single-family investment firm **Temperance Partners** acquired a minority stake in Pitcairn to help drive growth, although Pitcairn President and CEO Andrew Busser told Family Wealth Report he is not “pursuing a roll-up strategy. We look at a ton of deals, but all the stars have to align.”

Among banks, **Hancock Whitney Bank** acquired a Florida-based non-depository trust company, **Sabal Trust Co.** The bank, based in Mississippi and focused on Gulf states, called the deal “an excellent strategic opportunity” to expand its wealth and asset management business in the “high-growth Florida market.” Hancock Whitney, which in 2018 acquired **Capital One’s** trust and asset management business, said the deal will make Florida its largest wealth market. Sabal, which was employee-owned, had \$3 billion in AUM and revenues of \$22 million in 2024.

Hancock Whitney said the deal will be immediately accretive to earnings per share and exceeds its return thresholds. At

the end of 2024, just prior to the Sabal deal, Hancock had \$35 billion in assets under administration in its trust business. In the second quarter of 2025, when the deal closed, Sabal delivered three-quarters of the \$4.7 million gain the bank recorded in trust fees (the total of \$23 million accounted for 23% of non-interest income). Regional and local banks have been steady if infrequent acquirers of wealth managers as they seek to increase non-interest income and the capital-light parts of their businesses.

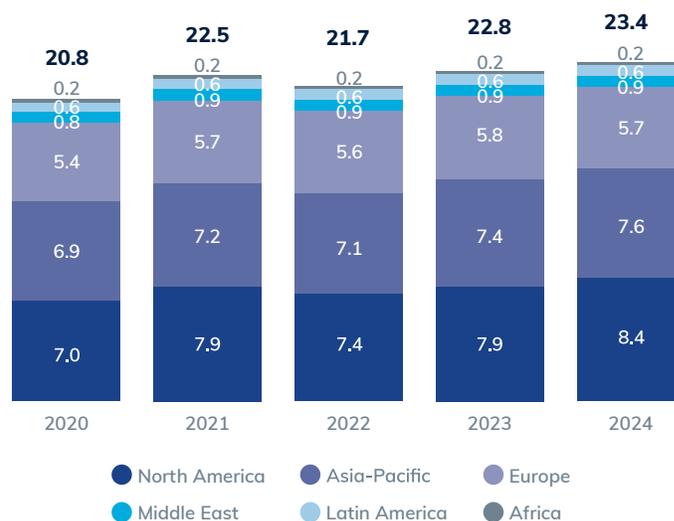
Insurance and annuities holding company **Sammons Financial Group** expanded its wealth management business with its third and largest such deal since 2021 by acquiring **Wealthcare**, adding \$8 billion in AUM. Wealthcare began in 1999 as a goals-based financial planning software company, but shifted into a platform for independent advisors; it serves 200 advisors and their 12,000 mostly mass-affluent clients.

Wealthcare President and CEO Matt Regan told WealthManagement.com that Sammons offers capital for expansion, including via acquisition. “We have a new deep-pocketed capital partner that has incredible patience and a long-term view, but at the same time they’re smart enough to be able to help us grow our business effectively,” he said. Wealthcare was previously owned by **NewSpring Holdings**. “What we’ll do now is pivot and focus more on smaller acquisitions that can be added to one or the other of the RIA firms,” Michael Mock, Sammons senior vice president of wealth management strategy, told Barron’s. Sammons is targeting \$100 billion in wealth assets within five years, or around four times the current level.

**AITi Global**, with a presence on both sides of the Atlantic, cut a deal for one of Germany’s larger independent firms, **Kontora Family Office**. Kontora, primarily serving clients in Germany and Austria, has €14 billion (\$15.2 billion) in AUM and matches AITi’s focus on the ultra-HNW market. Germany is the third-largest ultra-HNW market in the world. As part of the deal, Kontora’s two co-CEOs are “expected” to reinvest a portion of the proceeds into AITi.

## HNWI Global Population

in millions



Source: Capgemini Research Institute for Financial Services Analysis, 2025.

Publicly traded AITi, which cut two U.S. deals in 2024, had total assets of \$77 billion prior to the first-quarter transaction for Kontora. The company said the addition advances its growth strategy globally, and in the first half of 2025 noted that the international wealth business had generated \$500 million in projected billable assets from new clients. In 2024, AITi received investments from **Allianz** and Chicago's **Constellation Wealth Capital**, with the capital (up to \$450 million) mainly designed for acquisitions. That same year, AITi and **Allianz Global Investors** formed a joint venture to provide AITi's ultra-HNW clients with access to Allianz's private markets platform.

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## £25 billion

Combined assets following the merger of two of the UK's major private equity-backed consolidators, **Kingswood Holdings** and **Mattioli Woods**

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**EFG International** added another chapter to Switzerland's ongoing wealth consolidation story by acquiring **Cite Gestion**, which serves an ultra-HNW clientele and has CHF7.5 billion (\$8.4 billion) in AUM. Cite Gestion will retain its brand and independence. Once part of Swiss private bank **Lombard Odier**, Cite Gestion management did a buyout in 2017 and in the years that followed grew both organically and via acquisitions.

EFG said the deal "represents a good cultural fit and will further strengthen" its Swiss business. Switzerland and Italy account for 27% of AUM while Europe as a whole represents 60% and Asia-Pacific around one-quarter (total AUM: CHF165 billion). In describing EFG's M&A strategy to Euromoney in 2024, CEO Giorgio Pradelli explained, "We have excess capital, we have the know-how, and we have proved that we can acquire and integrate. But we have learned that you need to be very patient with M&A." Through its Australian subsidiary, EFG also paid NZ\$68 million (US\$39 million) for a 75% stake in New Zealand wealth and fund management firm **Investment Services Group**, with NZ\$7 billion in assets.

**Indosuez Wealth Management**, part of **Credit Agricole Group**, acquired another Swiss firm, **Banque Thaler**, adding CHF3.1 billion in AUM to the €47 billion Indosuez already managed there. Indosuez also acquired the Monaco wealth management clients of **BNP Paribas Group**, strengthening its position in the ultra-HNW market. Ultra-HNW clients account for around half of Indosuez's assets. The deals follow Indosuez's acquisition in 2024 of Belgium's **Degroof Petercam**, which boosted overall AUM by one-third to €200 billion.

In the UK, Europe's most active market for M&A, two of the country's major private equity-backed consolidators merged to form a larger entity with £25 billion (\$34 billion) in assets and 25,000 clients. The firms, **Kingswood Holdings** and **Mattioli**

**Woods**, were both owned by London private equity firm **Pollen Street Capital**, which acquired and took Mattioli private in 2024 for £432 million. Ian Mattioli, founder and CEO, called the Kingswood deal "transformational" and a boost to the firm's goal of becoming a national power with £60 billion in assets. Mattioli accounts for about two-thirds of assets in the combined entity.

Last June, **Fairstone** celebrated the 100th firm to join its "downstream" buyout program, through which partner firms receive support and investment from Fairstone while having the flexibility to sell at the "optimum time." Fairstone has £20 billion in AUM, a number it plans to double by 2030. TA Associates is among the investors in Fairstone.

**Perspective Financial Group**, which in 2024 topped 100 acquisitions since its founding in 2008 (29 in 2024 alone), remained an active buyer last year, adding more than one dozen firms, which average less than £100 million in assets. "With ever increasing compliance, we decided after 22 years ... to find a company that shares our core values but [was] large enough to support us into the future," explained the managing partner of one Perspective target last year. **Charlesbank Capital Partners** of Boston has been lead investor in Perspective since 2024.

With more than 40 such sponsor-backed wealth managers in the market, private equity firms are fueling M&A activity. Two U.S. sponsors were among those investors last year, including **Lee Equity Partners**, which made a majority investment in **Shackleton Advisers**, buying out the interest of **Sovereign Capital Partners**. Shackleton, with £8 billion in assets, completed 18 acquisitions and built a national footprint following Sovereign's investment in 2021. The second U.S. investor, **Bixby Wealth Solutions** (part of **Moontower Group**), acquired a minority stake in **James Hambro & Partners** (AUM: £8 billion), buying the interests of outside shareholders and partners. The investment allows James Hambro to expand equity participation in the firm, secure its "long-term independence," and benefit from Bixby's "investment and technological expertise" and U.S. and global network.

New consolidators keep getting minted. One in 2025 was **Absolute Financial Group**, with backing from **Inflexion** and **Tatton Asset Management**. The two investors committed £115 million to the venture, most of it from Inflexion, a mid-market European investor with £16 billion in AUM. Absolute is a regional firm with £1.1 billion in assets. "This is a sector where the right digital tools — further enhanced when uniting complementary businesses — can create a player of scale that still delivers both the personal touch and independence that clients value," Inflexion said. Inflexion had previously owned **Succession Wealth**, an aggressive consolidator that was acquired by **Aviva** in 2022.

A major transatlantic deal saw **Corient** make the simultaneous acquisitions of **Stonehage Fleming** and **Stanhope Capital Group** to expand its footprint outside the U.S. Combined, the two UK-based firms add \$214 billion in assets, more than three-quarters from Stonehage, which has offices in 16 markets around the world. Corient, which will have some \$430 billion in assets with its new partners, said the deal makes it the largest independent HNW and ultra-HNW advisory firm in the world.

"This combination of three storied firms creates a truly global wealth manager and multi-family office with formidable resources and deep expertise in serving the world's wealthiest individuals

and families,” Corient CEO Kurt MacAlpine told the Financial Times. Corient is the U.S. wealth management arm of **CI Financial**, which was taken private in 2024 by **Mubadala Investment Company**, a deal completed last year. Mubadala made an undisclosed equity contribution to pay for the two UK firms (see *Credit for more on Mubadala*). Although pricing was not disclosed, **Caledonia Investments** revealed that it expected to receive £288 million (\$390 million) for its minority shareholding in Stonehage, or more than three times its original investment (37% of Stonehage’s equity) held since 2019.

The UK retail wealth market had £3.3 trillion in AUM as of 2023, up from some £2 trillion in 2018 and projected to top £5 trillion by 2030, according to GlobalData. Asset appreciation is expected to drive much of the increase, but inflows and related client growth

will be just as critical, as individuals grappling with investment and planning complexity turn to advisors for help. An EY survey last year of wealth management clients globally found that in the UK more than 60% of millennials and Gen Xers are likely to seek financial advice, double the level of baby boomers. Boomers do express concern about inheritance planning, however, a core function for advisors.

Across the board, the wealth management industry has a major task involving education: **Barclays** estimated last year that 15 million adults have more than £600 billion in investible cash. “The UK’s investment gap has grown by over 30% in just two years, emphasizing that significant efforts are still required to transform the UK into a nation of investors,” said Sasha Wiggins, CEO of Barclays Private Bank and Wealth Management.

## DATA PACK

# U.S. Wealth Industry: Growth and Concentration

From Investment Adviser Association’s 2025 Report (for the 2024 year)

### SEC Registered Advisors

**15,870**

12,578 in 2017

### M&A

**29%**

14.5% in 2014

of SEC registration terminations resulted from transactions

### Asset Growth

**7%**

\$100m - \$1b

**10%**

\$1b - \$5b

**13%**

\$5b - \$100b

**19%**

\$100b+

### Individual Clients

Total

**56.6m**

29.4m in 2017

HNW

**8.7m**

4.0m in 2017

non-HNW

**47.9m**

25.4m in 2017

### Top four services

**98%**

portfolio management

**45%**

financial planning

**29%**

selection of other advisors

**22%**

pension consulting

### Assets, Individuals

Total

**\$23.1t**

\$9.8t in 2017

HNW

**\$15.2t**

\$5.7t in 2017

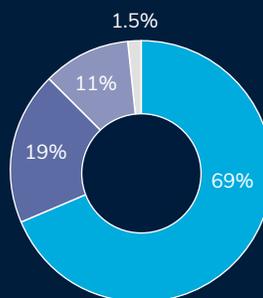
non-HNW

**\$7.8t**

\$4.2t in 2017

### RIA Concentration

% Managed



● > \$100b (68% of assets)

● \$5b - \$100b (25% of assets)

● \$1b - \$5b (5% of assets)

● < \$1b (2% of assets)

# Fintech

Following two major \$1 billion-plus deals for publicly traded wealthtechs in 2024, the new year quickly delivered another involving two platforms for the broader asset management industry: **Clearwater Analytics'** \$1.5 billion cash-and-stock acquisition of **Enfusion**. The deal merges Clearwater's middle- and back-office platform with Enfusion's front-office capabilities, as described by Clearwater CEO Sandeep Sahai in an interview with Bloomberg. "Both [firms] have built outstanding platforms but for different parts of the business," he said. "And this combination will allow clients and companies to get a comprehensive solution from us fully built out on native cloud technologies [and] SaaS platforms. So that is exciting for the industry as whole."

The number one reason clients leave their advisor is failure to communicate. We solve for that.



Scott White, CEO of FMG Suite

Although Enfusion has been seeking to expand among smaller to mid-size asset managers, the company's client base remains driven by hedge funds. But for Clearwater, the addition of that hedge fund business will expand its total addressable market by \$1.9 billion to \$7.8 billion. Enfusion also has a stronger international presence, with 38% of revenue generated in Europe and Asia compared with 18% for Clearwater. Sahai said Clearwater expects to expand its EBITDA margin by four percentage points in the first year after close and by the same amount in the second year, along with stronger overall growth.

Clearwater followed with two deals for credit-related platforms, spending \$560 million for **Beacon** and \$125 million for **Bistro**. In the larger cash-and-shares transaction for Beacon, Clearwater gains a platform that manages cross-asset-class modeling and risk analytics for derivatives, private credit and debt, structured products, and other alternatives. Clearwater said Beacon — which includes **Blackstone** (which owned Bistro) and **Pimco** (an investor in Beacon) among its clients — will be able to tap into its own network of 1,400 clients and Enfusion's 900 clients to generate

growth. Beacon CEO Kirat Singh said the merging of Clearwater's various platforms creates "something truly industry leading, giving institutional investors complete transparency across front office, pre-trade, risk and accounting. We believe no one else can offer this level of depth."

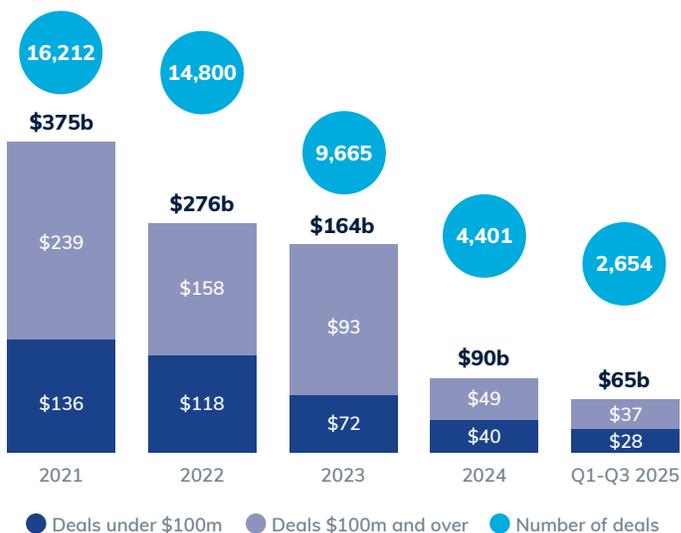
In another deal involving credit platforms, credit intelligence and data provider **Octus** expanded its capabilities with the purchase of **Sky Road**, whose platform offers portfolio monitoring, compliance and trade management solutions for a range of private and public credit products. Octus said the acquisition makes it the first provider of "fully integrated, end-to-end credit intelligence, data and document management, combined with comprehensive portfolio management capabilities."

Octus, which aims to boost revenue five times to \$1 billion over the next five years, claims the top-10 asset managers and collateralized loan obligation managers as clients. Last year, the firm introduced an AI-powered research tool for the buy side to "access and analyze critical private credit data." On the company website, CEO and founder Kent Collier explains that within a year of launching his firm in 2013 (then known as Reorg), "pretty much all of Wall Street" was using the platform "to get the information they needed to do their jobs. We took a one-hour-long process into 30 seconds. And that changed the way that information was disseminated on Wall Street."

GTCR followed up its \$2.7 billion purchase in 2024 of wealthtech **AssetMark Financial Holdings** by acquiring **FMG Suite**, which provides marketing software for financial advisors as well as insurance agents. FMG, which had been owned by **Aurora Capital Partners**, serves 50,000 financial advisors with a comprehensive marketing platform that incorporates compliant social media, websites, videos and content.

"The number one reason clients leave their advisor is failure to communicate," Scott White, CEO of FMG, told Barron's. "We solve for that." Just prior to the deal, FMG introduced three new

## Global Fintech Deals



Source: FinTech Global Research

AI-powered tools, including Overwatch, which assists advisors in finding “language likely to be flagged by compliance teams” as they create content, facilitating a faster internal approval process. GTCR said it will help scale FMG’s platform, expand its market reach, and build on the firm’s AI capabilities, including via acquisition.

A major transatlantic deal saw **SS&C Technologies Holdings** of the U.S. pay £766 million (\$1 billion) for London’s **Calastone**, which manages the largest global funds network for wealth and asset managers. SS&C cut the deal with **Carlyle**, which acquired a majority stake in Calastone in 2020. SS&C is the leading global hedge fund and private equity administrator and the largest mutual fund transfer agent, delivering a comprehensive technology stack to clients. To that platform, Calastone adds a focus on such areas as cross-border settlements and blockchain tokenization. On its end-to-end settlement platform, for example, Calastone provides clients with “a real-time view of all their global fund trades, settlement positions and liquidity requirements.”

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## \$820 million

iCapital’s latest fundraising valued the alternative assets platform at \$7.5 billion

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Calastone operates in 57 markets, processes £250 billion (\$340 billion) in investment value monthly, and serves 4,500 clients, with SS&C projecting that 10,000 of its clients could probably capitalize on that platform. The company had \$109 million in revenue in 2024 and is expected to grow that number by 10% annually; it sports an EBITDA margin of 40%. “Together, we will create a more connected, automated and intelligent global fund ecosystem ... shaping the future of distribution and investment operations,” said Bill Stone, chairman and CEO of SS&C.

Carlyle was on the buy side of a second transatlantic deal involving **intelliflo**, a UK firm that provides practice management solutions for advisors and supports 2,600 advisory firms globally. The potential \$200 million deal (one-third in possible earnouts) includes two U.S. subsidiaries that provide portfolio management software and which Carlyle established as a standalone business, **RedBlack**. The seller was **Invesco**, which acquired intelliflo in 2018. Carlyle praised intelliflo for providing “mission-critical software” for the UK’s wealth industry “with a deeply embedded and loyal customer base.”

Back-office software wealthtech firm **Docupace** enhanced its capabilities by acquiring **Hubly**, whose workflow management platform covers such areas as onboarding new clients, tax preparation and planning, and training new employees. Docupace said the two companies “share a passion” for simplifying complex areas of the wealth management business and “transforming them into a unified, transparent and intelligent experience.” Docupace will pair Hubly with **Precise FP**, a client engagement

and data software platform acquired in 2021. **Genstar Capital** has been majority owner of Docupace since 2024 and remains supportive of the company’s acquisitive growth strategy.

Fundraising last year began on a strong note, with overall fintech funding in the first quarter climbing to the highest level in two years, of \$10.3 billion, according to CB Insights. This includes the \$2 billion raised by cryptocurrency exchange **Binance** from an Abu Dhabi-based institution, **MGX**. Second-quarter fundraising also passed the \$10 billion threshold (\$11 billion), leading S&P Global to declare a rebound “since the start of the venture capital downturn in the third quarter of 2022.”

In its midyear fintech review, KPMG highlighted the “soft” environment for wealthtech compared with other sectors, but did note the “significant amount of ancillary interest” from corporations and investors weighing the “potential for AI to transform various aspects of the asset management lifecycle — from making back-end processes more efficient and enhancing relationship management with clients.” Digital platform **Savvy Wealth**, which is banking on AI to “build personalized knowledge bases on each client” for its wealth advisory business, raised \$72 million last July in a Series B round.

But the most notable event, also taking place during the third quarter, involved **iCapital**’s \$820 million fundraise, commanding a \$7.5 billion valuation for the alternative assets platform. iCapital said the capital will be used “to accelerate our acquisition efforts, with a focus on enhancing our technology platform and expanding our data capabilities.” Investor enthusiasm in this latest round — far exceeding the amount when iCapital last tapped the market in 2021 for \$500 million over two rounds — underlines the anticipated demand for alternatives among retail investors.

iCapital, which has completed more than 20 acquisitions over the years, services \$945 billion of assets globally, compared with \$100 billion in 2021, and supports 750 product providers and 3,000 wealth management firms. **T. Rowe Price**, which led the fundraise with **SurgoCap Partners**, praised iCapital for its “ability to combine advanced technology with a deep understanding of advisor and asset manager needs.” Prior to the close of the fundraise, iCapital acquired a **Citigroup** platform for 180 alternative funds distributed globally, with Citi remaining as the investment advisor. iCapital Chairman and CEO Lawrence Calcano told Barron’s that Citi was seeking a partner to “automate and drive down the cost for their clients ... and making those products as attractive as possible to advisors and clients.”

A second established wealthtech, **Addepar**, raised \$230 million in a Series G round, conferring a valuation of \$3.3 billion. Addepar’s portfolio management, market and client data platform serves 1,200 firms globally advising on \$7 trillion in assets. The company said the capital will be used “primarily” to provide liquidity to employees and investors. Additionally, Addepar acquired an enterprise AI workflow firm, **Arcus**, saying the addition “accelerates” the effort to “embed sophisticated artificial intelligence and machine learning more deeply across its platform.”

**Altruist**, coming off a 2024 in which it registered triple-digit growth in revenue, brokerage accounts and RIA clients, raised \$152 million in a Series F round to bring its total funding to \$600 million while suggesting a valuation close to \$2 billion. The round

was led by Singaporean sovereign wealth fund GIC. Altruist's custodial platform, which serves 4,700 advisors, combines a self-clearing brokerage firm with software that handles such areas as account opening, reporting and billing. In discussing the fundraise and the company's investors in a corporate video, Altruist founder and CEO Jason Wenk said, "What this really means for advisors

and their clients is that we have significant capital, no debt, we have long-duration investors, so we have no pressure to do things that are short-term profit motivated. Instead, it's entirely based on build the absolute best industry-leading, iconic wealth custodial platform for advisors."

## DATA PACK

### Fintech's Mixed Picture

From BCG's 2025 Global Report (for the 2024 year)

#### Fintech Equity Financing

\$87b	\$42b	\$47b
2022	2023	2024

#### EBITDA Margin

4%	12%	16%
2022	2023	2024

#### Scaled Fintechs (> \$500M revenues)

60%

of total fintech revenues

#### Revenue Multiples for Public Fintechs

6.2x	4.3x	4.4x
2022	2023	2024

#### Public & Private Fintech Revenues

\$275b	\$312b	\$378b
2022	2023	2024

## Traditional Investment Management

The U.S. ETF market, which virtually every year sets new high-water marks, reached a new and notable threshold last year: In June, Bloomberg Intelligence reported that the number of active ETFs accounted for 51% of the 4,300 products in the market, surpassing passive ETFs for the first time.

Those gains have been coming fast. In 2023 and 2024, the total number of active ETF launches was 862, or nearly 200 more than the total during the five-year period through 2022, according to Morningstar. And while active ETFs accounted for just 8% of the assets in the \$10.3 trillion U.S. ETF market as of 2024, according to the Investment Company Institute (ICI), Broadridge notes that the number more than doubled between 2022 and 2024 to \$631 billion and projects it will reach \$1.2 trillion by 2027.

U.S. equity products comprise the largest single share of 32%, with international equities another 13% and fixed income one-third. Among active funds of all types, active ETFs accounted for 6% in 2024, double the share in 2023. But as with passive ETFs, the active market is highly concentrated: The top-three managers control 48% and the top-10 more than three-quarters, the latter number comparing with 56% among traditional active mutual funds. The 50 largest funds hold 52% of assets, led by JPMorgan Equity Premium Income with \$44 billion in assets as of the end of the 2025 third quarter.

### Institutional/Mutual Fund Transactions

	2021	2022	2023	2024	2025
Number of Transactions	60	39	27	35	33
Combined Value (\$B)	\$13	\$7	\$4	\$12	\$19
Total Seller AUM (\$B)	\$1,863	\$502	\$453	\$1,729	\$1,782
Median Deal Size (\$M)	\$69	\$29	\$42	\$34	\$30
Median Seller AUM (\$M)	\$6,150	\$3,630	\$3,000	\$3,909	\$3,000

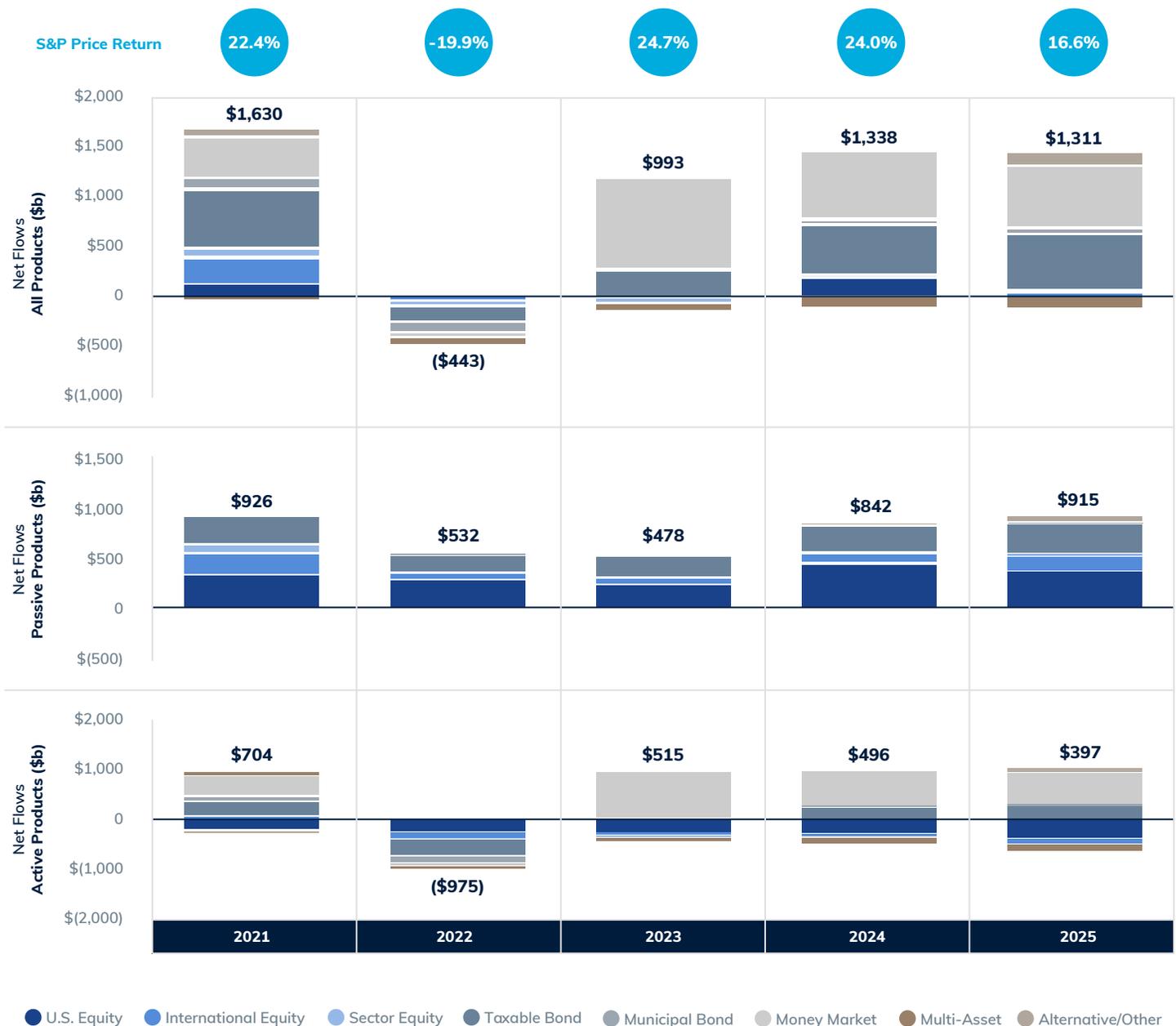
Excludes acquisitions of managers with less than \$250 million of AUM  
Source: Berkshire Global Advisors

Broadridge writes that success is “highly correlated” with first-year asset accumulation: Only 11% of funds pass the \$100-million mark that tends to build to \$1 billion while those below that threshold tend to fail to eclipse the \$200-million mark. “While the overall market dynamics favor growth, success depends on early execution,” Broadridge writes.

Asset managers are only too happy to both foster and meet the demand: Active ETFs are far more profitable than passive ones, with average expense ratios of 0.44% and 0.34% for equity and bond funds, respectively, or more than three times the level for index ETFs, according to the latest data from the ICI.

Europe, initially slower than the U.S. to adopt ETFs, has been warming to the active products, too: Inflows nearly tripled between 2023 and 2024 to €19 billion (\$22 billion) and assets climbed by €25 billion to top €54 billion, or 2.5% of all ETF assets, according to Morningstar. Equity products account for 63% of assets, with fixed income and money markets claiming the rest. “When I talk to asset allocators they are looking to do more active things, particularly in ETFs,” the global head of ETFs at **Fidelity International**, Europe’s third-largest issuer of active ETFs, told the Financial Times last July.

## Annual Mutual Fund & ETF Flows by Strategy

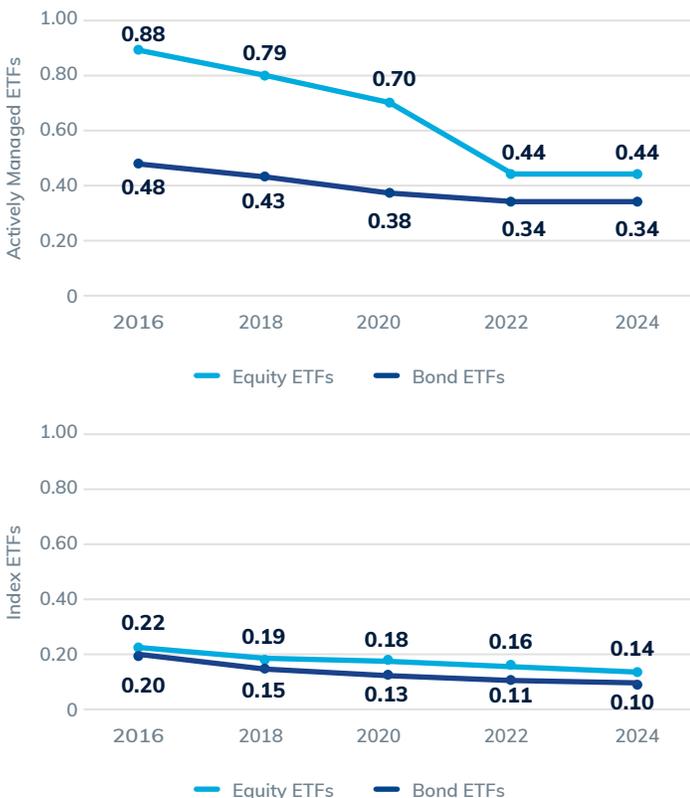


Numbers for each year indicate total net flows, positive or negative  
Source: Simfund

But deal-makers, having picked through some two-dozen niche ETF providers between 2018 and 2023, remained largely on the sidelines in that market for the second year in a row, with one major exception: **Goldman Sachs'** agreement in December to acquire ETF provider **Innovator Capital Management**. Goldman will pay \$2 billion in cash and equity, subject to performance targets. ICM delivers \$28 billion in assets in 159 "defined-outcome" products, which employ options to minimize downside risk but also limit gains.

The products also carry the more attractive fees associated with active ETFs. For example, the Innovator U.S. Equity Ultra Buffer ETF, which tracks the S&P 500 while protecting against losses of from 5% to 35% over approximately one year, has a fee of 0.79%. Goldman, which has \$47 billion in ETF assets, said the deal positions it as a top-10 provider of active ETFs and expands investor access to ICM's "modern, world-class investment products."

## Average Expense Ratios for Actively Managed and Index ETFs



Note: Expense ratios are measured as asset-weighted averages. Data exclude ETFs not registered under the Investment Company Act of 1940.  
Source: 2025 Investment Company Institute Fact Book

In a second deal, Goldman Sachs said it will buy 3.5% of **T. Rowe Price's** shares on the open market up to \$1 billion as part of a larger collaboration involving public and private investments for retirement accounts and wealth managers. In an interview with Barron's, Marc Nachmann, Goldman's global head of asset and wealth management, said his firm has spent two years "thinking about the retirement channel, and it's a channel that we think has more opportunities to broaden the investment products, especially

around privates and alternatives." Additionally, Goldman acquired venture capital firm **Industry Ventures** (AUM: \$7 billion) in a deal that could reach \$965 million, about one-third performance-based.

There were four other major transactions for traditional managers and an additional proposed megadeal between **Generali** and **Groupe BPCE** to merge their respective asset managers that was terminated in December. The firms said "conditions to reach a final agreement are not currently present." That deal would have created Europe's second-largest asset manager.

The largest deal last year was an all-cash \$7.4 billion take-private transaction for **Janus Henderson Group** led by **Triam Fund Management**, a shareholder (21%) in Janus since 2020, and **General Catalyst Group Management**. General Catalyst, which has made numerous investments in artificial intelligence and fintech firms, said AI can boost Janus' "operations and customer value proposition ... to drive growth and transform the business." The year-end agreement also featured participation from **Qatar Investment Authority**, Hong Kong investment firm **Sun Hung Kai & Co.**, **MassMutual** and others.

The offer, expected to close by the middle of this year, represented an 18% premium over Janus' closing price last October, prior to the takeover proposal. Morningstar placed the valuation at 11.3 times estimated forward earnings and 8.8 times estimated forward EBITDA. The investors said Janus will continue to be led by its management team, including CEO Ali Dibadj.

Janus had \$484 billion in AUM as of the third quarter of 2025, up 27% from the year-earlier period, and recorded six straight quarters of positive net inflows, with particular strength in the intermediary and institutional channels. Equities and fixed income make up 84% of AUM and North American clients two-thirds. While alternatives account for just \$18.5 billion, the total doubled from the year-earlier period. In 2024, Janus expanded its private markets capabilities via two acquisitions, the larger one involving a majority stake in global private credit manager **Victory Park Capital Advisors**. Janus has also been expanding its insurance ties, last year reaching agreement to manage \$45 billion in investment-grade public fixed-income assets for **Guardian Life Insurance Company of America's** general account and establishing a relationship with **CNO Financial Group** via the latter's minority investment in Victory Park (see Credit).

In a second transaction involving a private equity buyer, **Genstar Capital** purchased a majority share in **First Eagle Investments**, reportedly valued at more than \$4 billion. Genstar acquired the stake held by **Blackstone**, **Corsair** and co-investors since 2015. (That 2015 transaction included the purchase of the stake held by **TA Associates**.) Traditionally a value equity investor, First Eagle (AUM: \$140 billion) has been diversifying its portfolio to incorporate small-cap equity and high-yield fixed income. It has also built a large private credit business via multiple acquisitions. Just prior to the deal announcement, the firm teamed with **Amundi** to introduce a U.S. private credit fund aimed at non-U.S. retail investors.

But First Eagle's largest single offering by far is the Global fund (AUM: \$62 billion). An established value play with a bias toward downside protection, the fund has a significant allocation to gold, is light on technology, and has 40% of assets in the U.S. "Our belief that the future is inherently uncertain drives our commitment

to a strategic exposure to gold as a potential hedge against adverse market conditions,” the fund team wrote in early 2025 in its annual letter.

First Eagle said Genstar will “bolster” investment in the core business and “thoughtfully expand the range of high-quality, differentiated investment solutions [we are] able to offer clients worldwide.” Genstar praised First Eagle’s record of “innovation and evolution” and “broad distribution capabilities,” saying those attributes position it to “capitalize on growth trends in the investment management industry.” Genstar has a number of wealth managers in its portfolio, including **Cerity Partners** and **Mercer Advisors**.

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## In a continuation of a significant trend in 2024, deals involving outsourced chief investment officers remained red hot, with wealth managers among the notable participants.

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Following that deal, First Eagle joined the buyers, agreeing to pay \$473 million in cash for **Diamond Hill Investment Group**, a diversified active manager with \$32 billion in assets. First Eagle paid a 49% premium to Diamond Hill’s closing share price the day before the December offer. Diamond Hill has a portfolio primarily comprising equities (80% of assets), but First Eagle also cited the firm’s fixed-income business, where assets have tripled since 2022 to top \$6 billion. Diamond Hill’s equity platform also complements First Eagle’s offerings.

Two other megadeals involved Japanese firms: **Nomura Holdings’** \$1.8 billion deal for three companies owned by **Macquarie Group** (see sidebar); and **Mitsui Sumitomo Insurance Co.’s** agreement to pay \$1.4 billion for an 18% stake in **Barings**. Barings, part of **MassMutual**, will manage general account assets for the Japanese insurer while gaining access to “growth capital.” Barings has \$470 billion in AUM, about half in public fixed income and the rest in its growing private markets business. (See Real Estate for another Barings deal.)

In a third example of the ongoing effort by Japanese financial firms to invest in asset managers outside the domestic market, **Dai-ichi Life** established a partnership with diversified asset manager **M&G** of the UK, including a planned 15% shareholding. Dai-ichi, with some \$500 billion in AUM, expects to deliver \$6 billion in new flows for M&G, half from its balance sheet, and collaborate on product development and distribution as part of a European expansion. Dai-ichi also has an eye on European private markets,

which account for around one-quarter of M&G’s £350 billion (\$470 billion) in assets under management and administration (the rest of assets are in public markets). Half of M&G’s assets involve life-related products such as annuities.

In a continuation of a significant trend in 2024, deals involving outsourced chief investment officers remained red hot, with wealth managers among the notable participants. **Mariner Wealth Advisors** topped the list, adding two more such acquisitions to the two it made in 2024. The largest by far was for **Cardinal Investment Advisors**, which has \$290 billion in assets under advisement. Mariner CEO and President Marty Bicknell called the Cardinal deal “a defining chapter for Mariner in becoming the premier partner for institutional consulting services.” Established in 2001 and employee-owned, Cardinal primarily serves insurance clients, a niche that led Mariner to establish an in-house insurance advisory practice following the acquisition.

The second transaction involved **Southeastern Advisory Services**, which serves a range of institutional clients and has \$5 billion in assets under advisement. In the 2024 deals, Mariner added a combined \$104 billion in assets under advisement, creating a significant institutional footprint to complement its wealth practice. In late 2024, **Neuberger Berman Private Markets** made a minority investment in Mariner, joining existing investor **Leonard Green & Partners**.

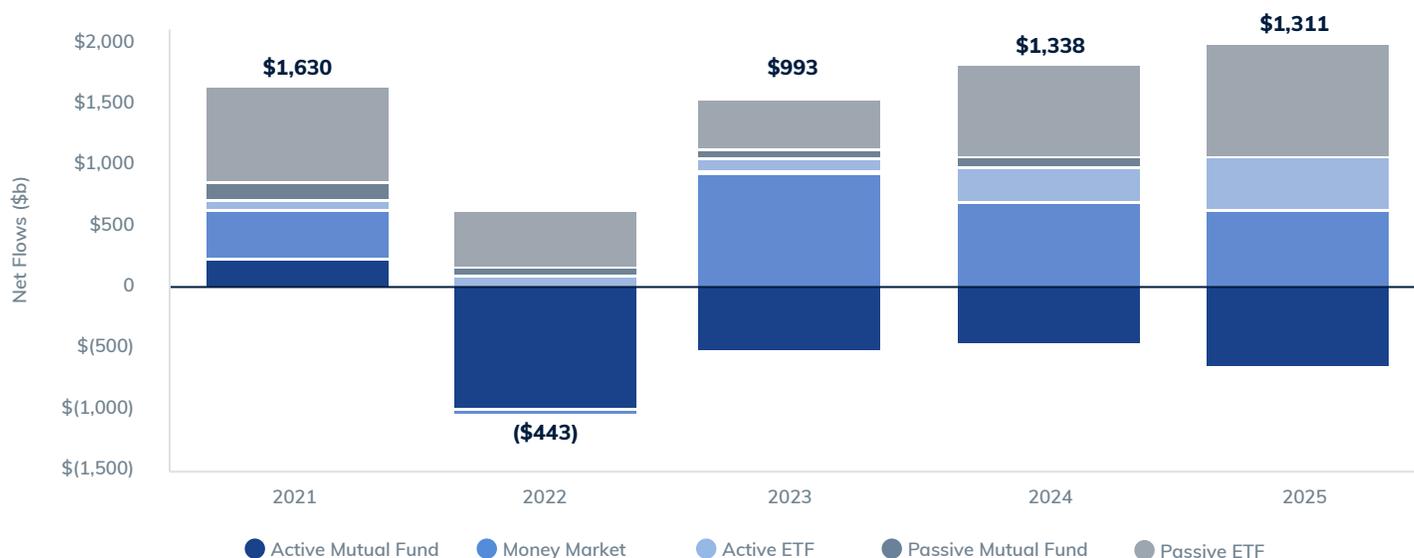
Multifamily office **Cresset** merged with employee-owned **Monticello Associates** to create a diversified and complementary business with a combined \$200 billion in assets and “access to leading fund managers in both the public and private markets.” Cresset, accounting for one-third of assets, noted that the combination of the two independents “strengthens” its vision of building “a 100-year firm.” Susie Cranston, president of Cresset, told WealthManagement.com that wealth-OCIO tie-ups will continue “because it is such a fantastic way for clients to be better served, for capabilities to be added to all sides.”

**Mercer** added the UK business of **Fundhouse**, which provides consulting services and model portfolios for the wealth management industry. Fundhouse, which also has a South African business that was not part of the deal, has £12 billion in assets under management and advisement. In a second and larger deal, the consulting giant acquired **Secor Asset Management**, an employee-owned boutique with \$35 billion in assets under management and advisement. Secor, with offices in New York and London, primarily serves pension funds.

Secor said the deal provides career growth for its employees and “access to Mercer’s extensive global resources, valued insights and investment talent.” The two deals represent Mercer’s fourth such acquisitions since 2023, with the two others adding \$116 billion in assets at the time and expansion in Europe. Mercer accounts for around one-quarter of revenue at parent **Marsh & McLennan**.

An OCIO deal in Australia that saw **Betashares** acquire **InvestSense** was also built around the financial advisory industry. As part of the transaction, Betashares created **Trellia Wealth Partners** to merge its index-based managed accounts business with InvestSense’s model portfolio capabilities. Trellia, which offers actively managed and index-based portfolios, has A\$8 billion (US\$5.1 billion) in AUM, the majority from InvestSense. (Betashares has a total of A\$55 billion in AUM in ETFs.) Trellia will also provide advice and counsel in such areas as acquisitions,

## U.S. Mutual Fund, MM & ETF Net Flows



Numbers for each year indicate total net flows, positive or negative  
Source: Simfund

business strategy and technology. In a corporate video, InvestSense partner Jonathan Tolub said the firm determined that “if we wanted to continue to add value to our clients and to more and more financial advisors” InvestSense needed to gain scale to “invest more in new products, technology.... [and] the partnership with Betashares is going to allow us to do just that.”

The OCIO model has been growing rapidly in Australia’s wealth industry, with six in 10 advisors using managed accounts, triple the percentage that did 10 years ago, according to **State Street Global Advisors**. An additional 16% have expressed interest in adopting the structure, which allows advisors to pivot from portfolio management to other areas of the client relationship such as financial planning. Australia’s managed accounts business as a whole is projected to grow by as much as 15% annually through 2030. The InvestSense transaction followed another notable OCIO deal impacting Australia’s financial advisory industry: **Generation Development Group’s** purchase of **Evidentia Group**, which created a managed accounts firm with A\$25 billion in AUM.

## Institutional assets among leading OCIO firms rose 12.5% in the year through March 2025 to \$3.9 trillion, according to Pensions & Investments

Pensions & Investments reported that institutional assets among leading OCIO firms worldwide rose 12.5% in the year through March 2025 to \$3.9 trillion and 68% over five years. The number

of clients climbed higher, by 15.2% during the 12 months and 92% over five years. Within the U.S., clients outsourcing defined contribution plans showed by far the greatest increases in assets and client numbers over the 12-month and five-year periods. “We’re seeing more and more corporate pensions in particular, globally, but also some state pensions and insurance companies, just decide that managing money is not their core competency,” Matthew Gibson, global head of client business for Goldman Sachs’ asset and wealth management business, told the publication.

Other deals were of the tack-on variety. **MetLife Investment Management** was one such buyer, adding fixed-income capabilities via a deal with **Mesirow** that included three investment teams and \$6 billion of AUM. The assets include high yield, bank loan and strategic fixed income, as well as a small-cap equity business. MIM said the addition “advance[s] the development” of its leveraged finance platform. The deal followed MIM’s December 2024 acquisition of **PineBridge Investments**, a global asset manager with \$100 billion in AUM. In 2023, MIM made its first acquisition of a private credit firm. MIM had more than \$600 billion in AUM prior to the Mesirow deal, two-thirds managed for its parent company’s general account.

Wealth and institutional manager **Tocqueville Asset Management** acquired a long-term, value-oriented manager, **Poplar Forest Capital**, adding \$1.3 billion to the \$10 billion it already managed. Poplar’s retail and institutional flagship Partners fund (AUM: \$300 million), established in 2009, is concentrated in 25 to 35 dividend-paying stocks “without regard to the market cap or the sector weightings of the S&P 500.” In an interview with Barron’s, Tocqueville CEO Paul Kleinschmidt called Poplar’s value orientation “complementary” and said his firm offers Poplar the opportunity to expand in the high-net-worth market. Poplar also cited its new parent’s research and technology platforms.

Italy’s **Azimut Group** continued the buildout of its U.S. business with the acquisition of a multi-affiliate platform manager, **North**

**Square Investments** (AUM: \$2.6 billion). Azimut, which last year also acquired a majority stake in **HighPost Capital** (see *Private Equity*), said North Square adds complementary strategies for investors through its network of institutional-quality managers “specializing in niche asset classes.” One such fund is Dynamic Small Cap (AUM: \$500 million), subadvised by **Algert Global**, a diversified vehicle that seeks to exploit “market inefficiencies ... via high-conviction, high-alpha seeking analysis.” Azimut paid \$110 million with a five-year earnout that could add \$50 million to the price. With \$50 billion in AUM, the U.S. is Azimut’s second-largest market after Italy.

In the UK, **Foresight Group Holdings** acquired **WHEB Asset Management**, an impact investor that manages a global mid-cap equity strategy with £570 million (\$770 million) in AUM. Foresight said WHEB “will reinforce [its] position as a leader in impact investing in public markets” while adding a WHEB joint venture in Australia with fund manager **Pengana Capital Group**. The WHEB Sustainability Impact fund, launched in 2009 and with two-thirds of assets in North America, invests in stocks that “contribute to [a] positive sustainability impact.” One example is Autodesk, whose software assists with the design and operation of resource-efficient products and buildings.

The deal matches Foresight’s own green orientation focused around real assets, including clean energy, and follows a larger 2022 deal for an Australian renewable energy asset manager. In the company’s 2024 annual report, Executive Chairman Bernard Fairman said acquisitions “will remain an important part of our overall strategy” through a “disciplined approach in our assessment of these opportunities.” Infrastructure accounts for 81% of Foresight’s £12.4 billion in AUM (70% institutional), with private equity at 13%. In June 2024, the company did a first close of £300 million for its second energy infrastructure fund, which it hopes to complete at £1.3 billion.

In a continuation of the asset management investments being made by the Gulf States, the **Qatar Investment Authority** acquired a 10% stake in China’s second-largest fund company, **China Asset Management** (AUM: \$265 billion). A second non-Chinese firm, Canadian asset manager **Mackenzie Investments**, is also a shareholder in CAM. Although pricing was not disclosed, a previous filing by a domestic shareholder indicated a price of around \$490 million. CAM serves 230 million retail investors and 250,000 institutions with a range of funds.

## DEAL DATA

# Nomura Holdings - Macquarie Group

## DETAILS

**Nomura Holdings** acquired three companies owned by **Macquarie Group**. The acquired companies operate on both sides of the Atlantic and have \$180 billion in AUM in equity, fixed-income, and multi-asset strategies, 90% in the U.S. and equally split between retail and institutional investors. The deal provides Nomura with a presence on nine of the 10 largest U.S. retail platforms and “strong” institutional relationships, the majority among insurers.

## PRICE

\$1.8 billion in cash for 100% equity in the companies.

## RATIONALE

Nomura has made global asset management a “strategic growth priority.” The company had \$590 billion in AUM prior to the deal and, based on organic growth, Nomura had set a target of ¥129 trillion (\$900 billion) in AUM by 2030. The transaction boosts assets managed for non-Japanese clients from 15% to 35% of the total. For Macquarie, the deal signals a retreat from traditional active management outside

Australia, where it is a leading such manager, in favor of its large and more profitable private markets business.

## ALLIANCE

The deal includes product and distribution agreements between the two firms and Nomura seed capital for Macquarie alternative investment products aimed at the U.S. wealth market. Prior to the April announcement, the two firms introduced a retail infrastructure fund in Japan focused on a broad range of private assets, including digital.

## THE C-SUITE

“ Kentaro Okuda, Nomura president and group CEO:

[The deal] will be transformational for our investment management division’s presence outside of Japan, adding significant scale in the U.S., strengthening our platform, and providing opportunities to build our public and private capabilities. ”

# Capital Markets

In 1981, Ken Moelis, fresh off an MBA from the Wharton School, began his investment banking career at junk-bond trailblazer Drexel Burnham Lambert. From there, Moelis moved on to two other high-profile firms before starting a boutique firm under his own name in 2007.

When Moelis started out in the 1980s, the M&A market in the U.S. was just catching fire, averaging \$416 billion in deals annually in the five years through 1989, according to the Institute for Mergers, Acquisitions and Alliances. By the last few years of the following decade, U.S. M&A was eclipsing the \$1 trillion mark annually. The U.S. high-yield bond market that helped cement many of those deals rose from \$15 billion in outstanding debt in 1980 to \$159 billion by 1988. By the following decade, \$138 billion in high-yield bonds was sold in 1998 alone — a high-water mark at the time.

Last June, Moelis, then 66 years old, announced he was stepping down as CEO of publicly traded **Moelis & Co.** “It’s funny, you advise clients all these years to do the right things at the right time,” he told the Wall Street Journal, “and this is the right moment for the firm.” Moelis, who will remain as executive chairman, is part of a generation of storied investment bankers that helped drive the rise of deal-making and related financing while building the boutiques serving the marketplace.

## Securities & Investment Banking Transactions

	2021	2022	2023	2024	2025
Majority Equity	52	39	24	36	41
Minority Equity	13	18	19	-	-
<b>Total</b>	<b>65</b>	<b>57</b>	<b>43</b>	<b>36</b>	<b>41</b>
Total Transaction Value (\$B)	\$5.9	\$4.7	\$6.0	\$1.8	<b>\$2.5</b>

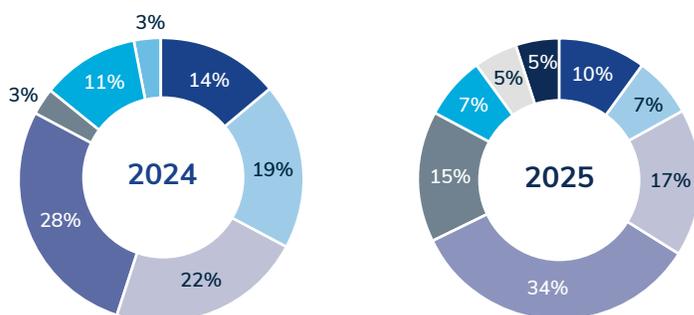
Source: Berkshire Global Advisors

What Moelis and his peers have also shared through the decades is the ability to ride the ups and downs of the market, including multiple stock market crashes, the most significant financial crisis since the Depression, and a global pandemic. Of late, they have been navigating a rise in interest rates and trade-related uncertainty that put a damper on some of the animal spirits. M&A value has dropped sharply from the high of \$5.9 trillion recorded in 2021, reaching a post-Covid low of \$2.9 trillion in 2023, according to LSEG.

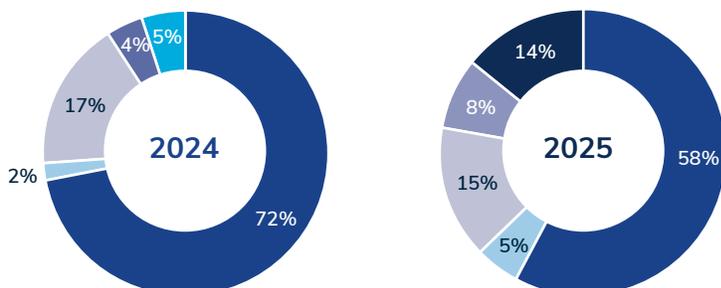
## Securities & Investment Banking

### Who's Selling

Number of Transactions by Sector as % of Total



Value of Transactions by Sector as % of Total



- Full-Service Investment Bank
- Institutional Broker-Dealer
- Discount/Electronic Broker
- Investment Banking Advisory Firm
- Retail Brokerage Firm
- Independent Broker-Dealer
- Trading / Market-Making Firm
- Exchange
- Institutional Research Firm
- Other

Source: Berkshire Global Advisors

## Global Financial Services M&A Activity



But the tides are turning. Following a slight rebound in 2024 to \$3.2 trillion, global M&A activity by value continued to climb last year in the first nine months to nearly match that full year total, at \$3 trillion, according to LSEG. The \$3 trillion marked an increase of 33% over the same period in 2024, driven by an 89% jump in \$10 billion-plus deals to a record nine-month total of \$916 billion. The number of deals declined by 7%, however, to reach a five-year low.

“As the year has progressed, there’s growing comfort that the tariff landscape is going to land in a place that people are able to navigate,” Naveen Nataraj, co-head of U.S. investment banking at **Evercore**, told Reuters last October. While BCG’s M&A Sentiment Index in the Americas at the end of the third quarter was on the low side at 83, the consultant characterized it as “strongly accelerating.” Last February, the Americas number hit a recent low of 67, with the index consistently below the average of 100 since the summer of 2022. The global third-quarter number was 77 but with “accelerating” momentum.

A reviving M&A market, combined with solid gains in equity and debt capital markets, contributed to a 9% increase in global investment banking fees for the nine-month period compared with 2024. The \$99 billion in fees represented the second-highest nine-month total over a 10-year period going back to 2016. The rebound was apparent at Moelis & Co., which registered a 37% gain in revenues during the first three quarters compared with the prior-year period.

Securities and investment banking transactions, which reached a recent high of 65 in 2021 before trending downward in the three years that followed, in 2025 remained in line with recent years. Deal-makers included a number of marquee names, among them several boutiques adding scale and capabilities. One was Evercore, which concluded a cross-border transaction for **Robey Warshaw** of the UK. Robey is a tightly held boutique that serves some of the leading multinationals in Europe and has advised on seven of the 10 largest UK deals in history, including the **London Stock Exchange Group’s** \$27 billion acquisition of Refinitiv in 2019.

In its latest filing for the 2023-2024 financial year, Robey reported a near doubling of revenues to £86 million (\$115 million) and an operating profit of £70 million. Evercore will pay £146 million in two tranches: about half in stock at closing and the rest in stock or cash on the one-year anniversary (additional consideration is possible based on performance over a multi-year period). In Evercore’s conference call, Chairman and CEO John Weinberg called the acquisition “a significant step in our global expansion strategy,” combining Robey’s relationship with large-cap clients and Evercore’s own relationships, “broad product capabilities, deep sector expertise and global reach.”

## \$99 billion

Investment banking fees during the first nine months of 2025, up 9% from 2024 time period

Another U.S. boutique, **Perella Weinberg Partners**, cut a deal for a secondaries specialist, **Devon Park Advisors**. The four-year-old firm, which focuses on continuation funds, has advised the range of alternative managers on transactions with a total value of more than \$4.5 billion. In PWP’s second-quarter conference call, CEO Andrew Bednar described the deal as being driven by “clients asking us if we can help with GP-led secondaries” while noting that financial sponsors “were historically under-represented in our client base and in our revenue. This transaction changes our mix overnight.”

Devon Park founder Jonathan Costello is a veteran of 20 years in the secondaries business. In a 2024 podcast, he cited “real planning” as a first priority for sponsors undertaking an inaugural GP-led secondary. “I think, number two, it has to be thesis-based, like, ‘I would like to continue to own this asset or set of

# Securities Industry & Investment Banking Transactions

## Who's Buying

	2021	2022	2023	2024	2025
Discount/Electronic Broker	3	3	4	9	8
Other	17	5	10	8	8
Full-Service Investment Bank	10	7	6	3	6
Investment Banking Advisory Firm	3	5	4	3	6
Diversified Financial Services Company	3	12	10	4	4
Commercial Bank	5	3	4	1	4
Institutional Broker-Dealer	10	2	1	2	2
Private Equity Firm	3	12	-	4	1
Independent Broker-Dealer	5	5	1	1	1
Exchange	5	1	1	-	1
Insurance Company	-	-	1	1	-
Retail Brokerage Firm	-	2	-	-	-
Trading/Market Making Firm	-	-	1	-	-
Unknown	1	-	-	-	-
<b>Total</b>	<b>65</b>	<b>57</b>	<b>43</b>	<b>36</b>	<b>41</b>

Source: Berkshire Global Advisors

## Full-Service Investment Bank Transactions

	2021	2022	2023	2024	2025
Number of Transactions	6	7	5	5	4
Combined Value (\$M)	35	2,104	4,379	1,262	1,438
Average Deal Size (\$M)	35	701	1,460	631	719

Combined Value and Average Deal Size upon available data, not total number of transactions  
For 2021, Combined Value and Average Deal Size based on pricing for one deal  
Source: Berkshire Global Advisors

## Institutional Broker-Dealer Transactions

	2021	2022	2023	2024	2025
Number of Transactions	24	14	9	7	3
Combined Value (\$M)	2,763	691	40	37	112
Average Deal Size (\$M)	251	173	20	18	56

Combined Value and Average Deal Size are based upon available data, not total number of transactions  
Source: Berkshire Global Advisors

## Investment Banking Advisory Firm Transactions

	2021	2022	2023	2024	2025
Number of Transactions	19	17	11	10	14
Combined Value (\$M)	806	279	372	72	197
Average Deal Size (\$M)	161	93	372	36	197

Combined Value and Average Deal Size are based upon available data, not total number of transactions  
For 2023, Combined Value and Average Deal Size based on pricing for one deal  
Source: Berkshire Global Advisors

assets for these reasons.' One example would be to fund a highly transformative acquisition. To me, that's a great thesis for why to contemplate a continuation fund because you're not going to immediately get credit."

There were two green-related plays, one involving the acquisition by real estate giant **JLL** of **Javelin Capital**, a specialist in that area in North America. JLL said the addition "significantly enhance[s]" its energy and infrastructure capital markets business, which operates in Asia and Europe and has engaged in 150 transactions. Javelin, with 16 employees, cited the opportunity to "expand our reach and impact in the clean energy and infrastructure sector." One deal Javelin was engaged with last year prior to JLL involved two U.S. companies involved in the commercial fleet electrification industry. JLL's capital markets business is a small part of the company's overall business, but generated double-digit revenue growth in 2024 and the first three quarters of 2025 following a down year in 2023.

**Mizuho Financial Group** also tapped the green space by acquiring an independent specialist in the European renewable energy and energy transition sectors, **Augusta & Co.** of the UK. (Augusta's asset management business was not part of the deal.) Mizuho, which will retain the Augusta brand, said the deal will "further strengthen its M&A advisory platform and energy transition credentials in the region and beyond." Augusta, which has completed some 130 transactions and raised €30 billion (\$35 billion) for clients during its 23-year history, touted Mizuho's global reach and capital markets strength.

On the debt side of the business, Augusta Managing Partner Mortimer Menzel explained in a podcast last year that the company has developed a reputation for prudence. "Over-levering causes problems, particularly in a wind farm ... you can have problems if you have a bad winter and the turbines don't perform the way they do, or if it's a solar project and you have a bad summer and your panels aren't producing the electricity

you thought they [would].” In 2023, Mizuho acquired New York investment banking boutique **Greenhill & Co.**, a deal that has helped spur Mizuho’s business. In the first three quarters of 2025, Mizuho ranked 11th for global investment banking fees, up 22% year over year to \$1.8 billion, according to LSEG, making it the highest-ranking Japanese bank.

**Stifel Financial Corp.** cut a transatlantic deal for another London-based firm, **Bryan, Garnier & Co.**, a leader in the European middle-market technology and healthcare sectors. Stifel, coming off the second-best year in 2024 for revenue (\$1.6 billion) in its institutional business, said Bryan, Garnier’s business matches two of its own focus areas and “moves us closer to our goal of being the premier global investment bank for the middle market.” Combined, Stifel said the two firms have led more than 500 European technology and healthcare transactions since 2020, including advisory, sponsor-led M&A, equity and debt deals. Bryan, Garnier will be wrapped under the Stifel brand.

On the trading side of the capital markets industry, **Coinbase Global** paid \$2.9 billion in cash and shares for **Deribit**, the world’s leading crypto options exchange. Coinbase, which has made four other acquisitions since 2019, said the deal makes it the “premier global platform” for crypto derivatives. The deal also advances Coinbase’s effort to expand its platform for institutional clients. Dubai-based Deribit facilitated more than \$1 trillion in trading volume in 2024 across “key markets” outside the U.S. while Coinbase provides futures via two U.S. exchanges.

“One of the things we liked most about this deal is that it’s not just a game changer for our international expansion plans — it immediately diversifies our revenue and enhances profitability,” Greg Tusar, vice president of institutional product at Coinbase, told CNBC. In a second such deal, crypto exchange **Kraken** paid \$1.5 billion for retail futures trading platform **NinjaTrader**.

In a more traditional trading-related deal, **Cantor** acquired the wholesale market-making business of **Canaccord Genuity Group**. Cantor, part of **Cantor Fitzgerald**, was coming off a robust 2024 in which revenue for its equities and equities prime businesses more than doubled. The company said the deal fits a strategy of growing its global equities business. For Canaccord, the sale meets a focus on its “high-performing” advisory and capital-raising businesses. In its asset management business, Cantor Fitzgerald acquired the **O’Connor** alternative assets platform owned by **UBS**, consisting of \$11 billion in AUM.

**Citadel Securities** acquired **Morgan Stanley’s** electronic U.S. equity options market-making business, underlining the banking industry’s inability to compete in an arena dominated by high-frequency traders such as CS and **Virtu Financial**. The deal strengthens CS’ leading position in a derivatives market built on technology and speed. CS trades one-quarter of all U.S. equities and also sports large U.S. Treasuries and corporate bonds trading businesses. CS is a separate company from hedge fund giant **Citadel**, but both are controlled by Ken Griffin.

## VERBATIM

### Financial Advisory Commentary, 2025 earnings calls

Q1

**JPMorgan Chase,**  
**CFO Jeremy Barnum**

“In light of market conditions, we are adopting a cautious stance on the investment banking outlook. While client engagement and dialogue is quite elevated, both the conversion of the existing pipeline and origination of new activity will require a reduction in the current levels of uncertainty.”

Revenue, Investment Banking:  
\$2.3B; +2% vs. Q1 2024

Q2

**Lazard,**  
**Chairman & CEO Peter Orszag**

“With regard to the M&A outlook, progress will not be linear, but as long as outstanding tariff issues are resolved in line with current expectations over the coming weeks we see a significantly improving environment for financial advisory activity. Dialogue with corporate strategics continues to broaden, corporate balance sheets are strong, and clients are adapting to shifting trade policies.”

Net Revenue, Financial Advisory:  
\$497M; +21% vs. Q2 2024

Q3

**Goldman Sachs,**  
**Chairman & CEO David Solomon**

“I think that we are going to see a very constructive M&A environment through the end of the year into 2026.... I think there’s been a meaningful improvement in where we are in the cycle. I still think given market cap expansion growth, [and] the fact that we were underpenetrated in terms of activity because of the regulatory environment for the last four years, I expect a pretty healthy environment.”

Net Revenue, Financial Advisory:  
\$1.4B; +60% vs. Q3 2024

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