

## OMW PRESS RELEASE

19 December 2017

### **Sale of Single Strategy asset management business of Old Mutual Wealth to TA Associates for £600 million**

Old Mutual Wealth today announces that it has agreed to sell its Single Strategy asset management business ('Single Strategy business') to the Single Strategy Management team and funds managed by TA Associates, the global growth private equity firm (together 'the Acquirer'), for an expected total consideration of c.£600 million, comprising cash consideration of £570 million payable on or before completion, with approximately £30 million anticipated to be payable thereafter, paid primarily in 2019 to 2021 as surplus capital associated with the separation from Old Mutual Wealth is released in the business. This deferred consideration is not subject to performance conditions. Once the transaction completes, economic ownership of the Single Strategy business will pass to the Acquirer effective from 1 January 2018 with all profits and performance fees generated up until 31 December 2017 for the account of Old Mutual Wealth. The Single Strategy business will be appropriately capitalised to continue to implement its growth plans during this transitional ownership phase.

As at 30 September 2017, funds under management ('FUM') for the Single Strategy business were £25.7 billion, and net client cash flow ('NCCF') for the 9 months to 30 September 2017 was £3.5 billion. Adjusted operating profits for the 6 months to 30 June 2017 were £36 million, of which £17 million were performance fee related. Profits before tax for the year to 31 December 2016 were £60 million (of which £26 million were performance fee related) and gross assets were £198 million at that date.

The proposed transaction is subject to customary closing conditions, including regulatory approvals and conditions relating to the transfer of the Multi-asset business to be retained by Old Mutual Wealth. A number of operational and IT transitional service agreements have also been agreed for a period of up to two years from the date of the completion of the sale (covering the separation of the retained Multi-asset business from the Single Strategy business). The majority of the current management team of the Single Strategy business, including CEO Richard Buxton, will remain with the Single Strategy business.

Proceeds from a completed transaction will be used for general corporate purposes following finalisation of Old Mutual Wealth's capital and liquidity requirements as a standalone listed entity as part of the broader Managed Separation of Old Mutual plc.

## **Background to and rationale for the transaction**

On 3 September 2017, Old Mutual Wealth announced the creation of the Multi-asset business, together with the exploration of internal and external structures for the Single Strategy business to continue to develop it further. The announcement of this transaction follows a rigorous review process, which included interest from a number of market participants.

There is no change to the Old Mutual Wealth Multi-asset business, which will be rebranded as Quilter Investors during 2018. Led by Paul Simpson, CEO, this business is a core part of the Old Mutual Wealth strategy, delivering leading investment solutions to a wide number of UK and international retail clients through Old Mutual Wealth's significant distribution footprint.

As at 30 September 2017, FUM for Old Mutual Wealth, excluding the Single Strategy business, was £106.6 billion and NCCF for the nine months to 30 September 2017 was £4.1 billion.

Paul Feeney, CEO of Old Mutual Wealth, said: "Ahead of our managed separation and proposed listing in 2018, we are pleased that we have completed the strategic review of the Single Strategy business and agreed terms for a transaction with TA Associates. As we outlined in the Showcase event in November, the Single Strategy business is less closely aligned to our goal of becoming the UK's leading wealth manager. I believe this development is a good outcome for our shareholders and provides the Single Strategy team with a great opportunity to build on the success they have achieved since 2012."

Richard Buxton, CEO of the Single Strategy business, added: "The management team is delighted to be partnering with TA Associates to buy the single strategy business. I believe this is a good outcome for our customers and our staff."

Chris Parkin, a Managing Director at TA Associates, said: "We have followed the development of Old Mutual Global Investors' Single Strategy business for several years and have been impressed by what is clearly now a diversified and high-quality investment platform. In particular, the well-regarded fund management teams have worked diligently to develop and deliver tailored investment solutions focused on the needs of their customers, with the goal of producing positive long-term outcomes. It is an honour to partner with the Single Strategy business and we look forward to working closely with the entire team to help further scale the company."

-ends-

## Media contacts:

### Old Mutual Wealth:

Vee Montebello, Old Mutual Wealth: + 44 (0) 20 7 778 9550/ + 44 (0) 7872 665149  
Geoffrey Pelham-Lane, Camarco: +44 (0)20 3757 4985/ +44 (0)77 3312 4226

### Old Mutual plc:

William Baldwin-Charles, Old Mutual plc: + 44 (0) 7834 524833

## TA Associates:

Zachary Tramonti, BackBay Communications: +617-391-0797,  
([zachary.tramonti@backbaycommunications.com](mailto:zachary.tramonti@backbaycommunications.com))

## Notes to Editors:

### Old Mutual Wealth:

Old Mutual Wealth is a leading wealth management business in the UK and internationally, helping to create prosperity for the generations of today and tomorrow.

Old Mutual Wealth oversees £131.3 billion in customer investments (as at 30 September 2017).

It has an adviser and customer offering spanning: Financial advice; investment platforms; multi-asset and single strategy investment solutions; and discretionary fund management.

The business is comprised of two segments: **Wealth Platforms** and **Advice and Wealth Management**.

**Wealth Platforms** includes the Old Mutual Wealth UK Platform; Old Mutual International, including AAM Advisory in Singapore; and the Old Mutual Wealth Heritage life assurance business.

**Advice and Wealth Management** encompasses the financial planning network, Intrinsic; Old Mutual Wealth Private Client Advisers; discretionary fund management business, Quilter Cheviot; and Old Mutual Wealth's multi-asset investment solutions business.

Old Mutual Global Investors is the asset management business of Old Mutual Wealth.

Following managed separation from Old Mutual plc, Old Mutual Wealth will rebrand to Quilter plc. Each of the businesses within the Quilter Plc group will be rebranded over a two-year period, with the exception of Quilter Cheviot, which will retain its existing name.

Old Mutual Wealth is part of Old Mutual plc, a FTSE 100 group that provides life assurance, asset management, banking and general insurance. Old Mutual is trusted by more than 19.4 million (as at 31 December 2016) customers across the world and has a total of £212.3 billion of assets under management (as at 30 June 2017).

**TA Associates:**

TA Associates is one of the largest and most experienced global growth private equity firms. Focused on five target industries – technology, healthcare, financial services, consumer and business services – TA invests in profitable, growing companies with opportunities for sustained growth, and has invested in nearly 500 companies around the world. TA has been a leading investor in the asset management industry for more than 25 years, having made 21 investments in the sector to date. Comfortable as either a majority or minority investor, TA employs a long-term investing approach, utilizing its strategic resources to help management teams build lasting value in growth companies. TA has raised \$24 billion in capital and is investing out of current funds of \$7.25 billion. The firm's more than 85 investment professionals are based in Boston, Menlo Park, London, Mumbai and Hong Kong. More information about TA Associates can be found at [www.ta.com](http://www.ta.com).

**This press release is for journalists only and should not be relied upon by financial advisers or customers.**

**Please remember that past performance is not a guide to future performance. The value of investments and the income from them can go down as well as up and investors may not get back any of the amount originally invested. Exchange rate changes may cause the value of overseas investments to rise or fall.**

**This communication is issued by Old Mutual Wealth Management Limited, a Private Limited Company (Company Number 0604270), Old Mutual House Portland Terrace Southampton Hampshire SO14 7EJ.**