

Successful M&A in Alternatives

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What makes an alternative investment deal successful?

- Success at closing and true success over the long run depend on two different sets of criteria.





Alternatives investment banking is not a new science of its own

- The needs of buyers and sellers in alternatives are not that different from those of traditional as they apply to M&A.



What sellers want

- New AUM through a buyer's portfolio investments or distribution networks, or
- Money managers want money to manage



Advantage, whom?

- Sellers
- Buyers face the “albatross factor”







Sure, all parties are equal in the deal...

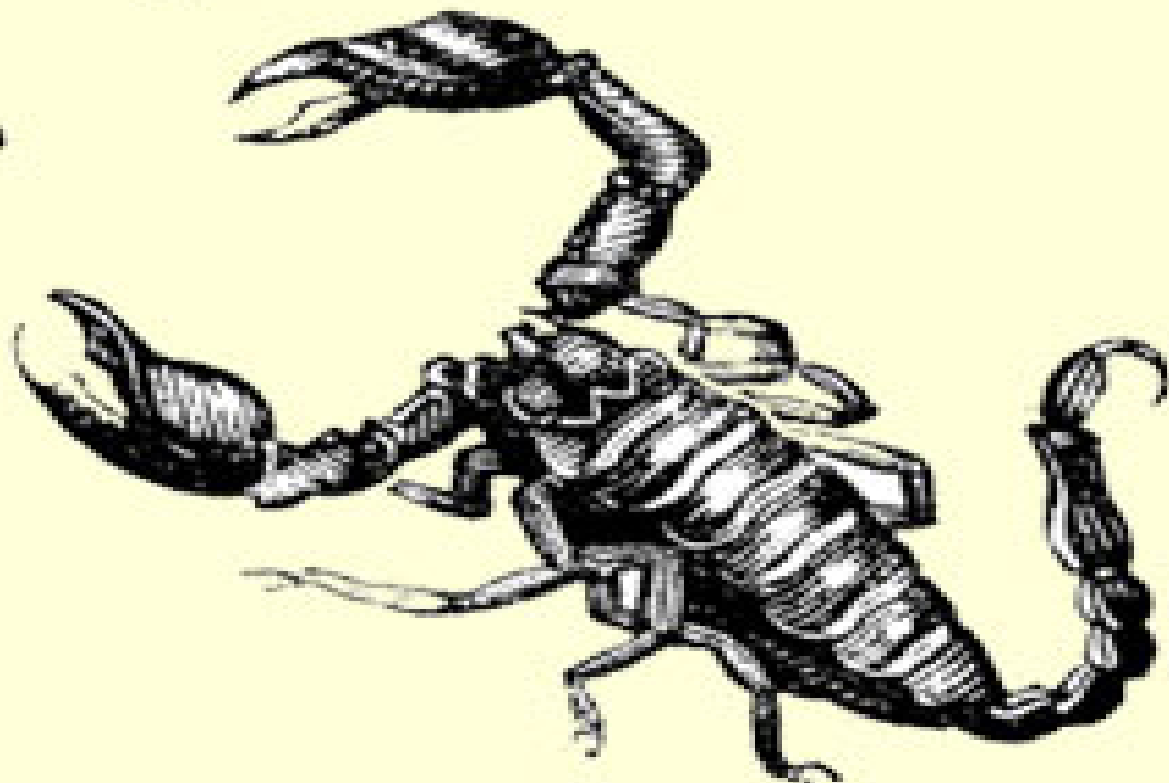
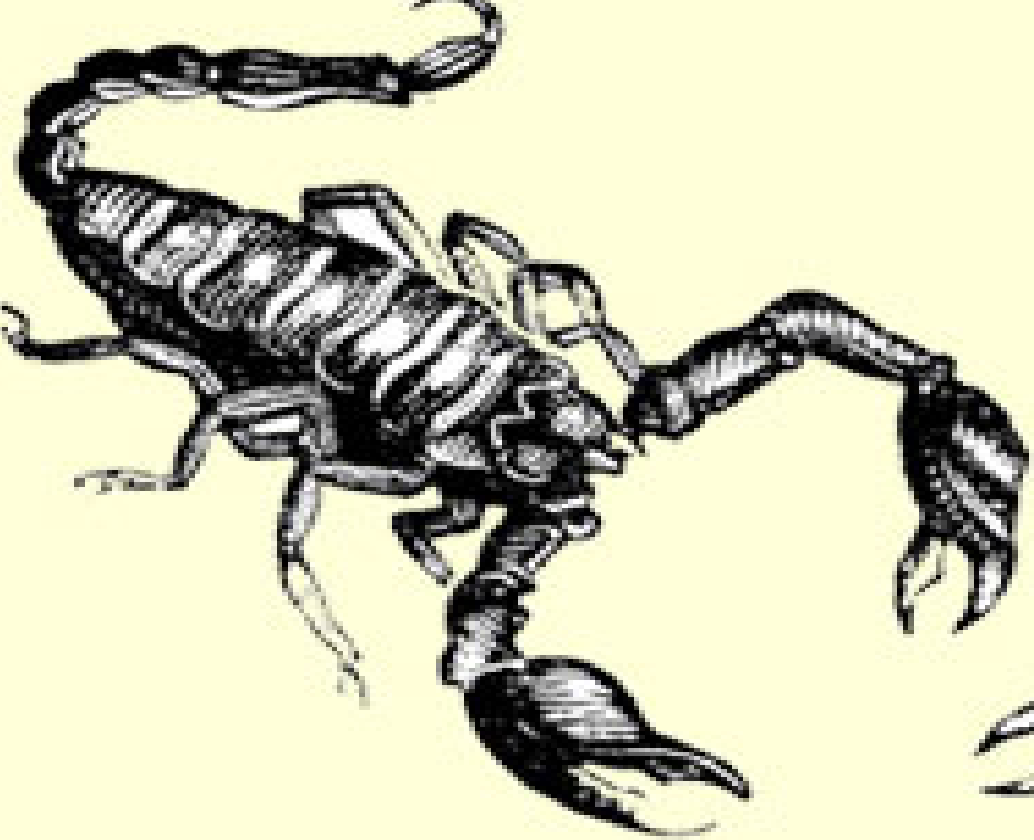
-but some parties are more equal than others.
- Buyers need to be prepared beforehand to bring new AUM either through direct portfolio investments or better distribution networks



Who makes the best match?

- **Institutions**
- **Private equity funds don't have investment portfolios and they don't have distribution**





In sum

- The onus is on buyers to continuously add value after close by coming up with the dough
- Institutions make the best buyers
- PE funds are in for a tough row to hoe
- Silent stakes are looking better and better

