
State Street Corporation Acquire GE Asset Management for up to \$485 Million



- Brings GE Asset Management (GEAM) active management, alternatives and OCIO (Outsourced Chief Investment Officer) capabilities to State Street Global Advisors (SSGA), a premier industry firm with scale and \$2.3 trillion in assets under management globally
- SSGA to manage assets of the GE pension plan currently managed by GEAM and assume responsibility for management of GEAM's other client assets, subject to client consents
- An independent fiduciary has reviewed the transaction and approved SSGA's engagement to manage the assets related to the GE pension plan currently managed by GEAM
- SSGA possesses considerable experience managing retirement assets and strong fiduciary expertise, as well as a broad distribution network to support continued growth of the GEAM platform
- Existing GEAM team is expected to join the SSGA organization, maintaining continuity in the transition
- No change to pension benefits received by GE pension plan participants as a result of the transaction
- GE to deposit the net sale proceeds from the transaction into the GE Pension Trust

GE [NYSE:GE] and State Street Corporation [NYSE:STT] has announced an agreement for State Street to acquire GE Asset Management (GEAM), GE's investment management arm, for up to \$485 million, subject to adjustments. This announcement follows GE's previous announcement in September that it would explore opportunities to sell GEAM to another leading investment management firm. The sale, part of GE's transformation to focus on its industrial core, will bring GEAM's capabilities to State Street Global Advisors (SSGA), augmenting and enhancing SSGA's investment expertise in areas complementary to its existing capabilities, including active management, as well as in alternative assets and Outsourced Chief Investment Officer (OCIO) mandates. It is also expected to increase SSGA's assets under management by approximately \$100 billion, as it assumes responsibility to manage the assets related to GE's primary benefit plans currently managed by GEAM—including the GE pension plan—in addition to those of GEAM's third-party client base, subject to client consents. The existing GEAM team is expected to join SSGA as part of this transaction, with the exception of a small number of GEAM employees who will stay with GE to provide investment oversight of GE's primary benefit plans. To provide a smooth transition for clients, the core investment and relationship management teams serving GE's benefit plans and other clients will continue to do so as part of SSGA following the closing. "This sale is another example reflecting the attractiveness of GE's financial services businesses in the marketplace," said GE Chairman and CEO Jeff Immelt. "In addition, it presents a great opportunity for GE's primary benefit plans to benefit from the world-class capabilities of SSGA. Most importantly, SSGA meets all the criteria GE originally established for the firm that would acquire GE Asset Management, including considerable experience managing retirement assets, investment and fiduciary expertise, a strong performance track record, and scale and distribution leadership."

Dmitri Stockton, Chairman, President and CEO of GEAM, said, "SSGA is another outstanding investment firm with an expanded distribution network and \$2.3 trillion in assets under management. This transaction will allow our firm to bring its active and alternative asset management capabilities to an even broader investor base, and enhance SSGA's ability to grow its presence in the pension plan outsourcing segment. GE Asset Management has extensive, long-term experience in pension plan management and outsourcing offerings with a more than 80-year heritage as a provider of these services."

"As defined benefit plans – both private and public – undergo change, GEAM's skills coupled with SSGA's existing capabilities will position us well to provide effective solutions and outcomes to these investors," said Ron O'Hanley, President and Chief Executive Officer of SSGA. "GEAM will bring new alternatives capabilities in direct private equity and real estate to SSGA while enhancing our existing active fundamental equity, active fixed income and hedge fund teams. In addition, GEAM's OCIO and Insurance platforms significantly strengthen our capabilities in these fast growing areas."

An independent fiduciary, Evercore Trust Company, N.A., has reviewed the transaction and approved SSGA's engagement to manage the assets related to the GE pension plan currently managed by GEAM. GE will retain responsibilities as plan sponsor and fiduciary for its plans going forward. Net sale proceeds from the transaction will be deposited into the GE Pension Trust, increasing trust assets used to pay GE pension plan benefits.

As the transaction proceeds, GEAM will maintain its commitment to fulfilling all of its obligations to its clients. GEAM and SSGA expect no impact on their ability to provide strong investment performance and service to investors through and following the close of the deal.

The sale, which is expected to close in the third quarter of this year, will not change the benefits received by participants in the GE pension plan (or any affiliate pension plan), and does not change GE's requirement to meet its pension funding obligations.

GE is being represented in this transaction by Credit Suisse. The deal is subject to any and all customary and regulatory approvals.

GEAM is a wholly owned subsidiary of GE, separate from GE Capital.

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