

**DATE**

June 11, 2020

**SECTORS**

Financial Services

**DEAL TYPE**

M&A Advisory

**DEAL LOCATIONS**



**DEAL TEAM**



**Andrew Claymore**  
Managing Director



**Robert Jones**  
Managing Director



**Charlie Tuttle**  
Vice President

# DC Advisory advised Fidelity Group on its strategic alliance with Pacific Asset Management



**Background:**

- Fidelity Group (Fidelity) is a major UK financial planning group with GBP 1.5 billion assets under management (AuM), headquartered in Bath, with offices across the south of England
- Pacific Asset Management (PAM) is the core asset management arm of Sir John Beckwith's Pacific Investment Group, with AuM totalling GBP 1.2 billion
- The proposed terms of the strategic alliance involved a share swap arrangement whereby PAM would acquire Fidelity's discretionary fund management (DFM) business, while Fidelity would acquire PAM's financial planning subsidiaries, in doing so taking a minority shareholding in each other's businesses

**Process:**

- DC was engaged by Fidelity in a retained capacity to advise on a variety of work streams, including:
  - The structuring of the deal;
  - Commercial strategy;
  - Timing;
  - Valuations; and
  - Negotiation of the strategic alliance proposal.

**Outcome:**

- Despite challenging market conditions imposed by COVID-19 during the conclusion of the transaction, DC supported Fidelity in achieving the outcome below:
  - PAM acquired Fidelity's DFM business Parallel Investment Management (PIM)
  - PAM assumed responsibility for PIM's model portfolio range, which controls around GBP 400 million in AuM
  - In turn, Fidelity acquired PAM's financial planning arms, Chartered Financial Management and Zen Wealth, which were acquired in July 2018 and 2019 respectively
  - PAM and Fidelity taking similar minority stakes in each others' businesses
- As a result of the strategic alliance, Fidelity is now very well positioned to drive significant growth, and we look forward to providing further support for their ambitious plans

We hugely valued DC Advisory's support in this transaction which represents an important strategic milestone for our business, and we were particularly impressed by their sector insight, commercial know-how and deal structure advice.

Jim Grant, CEO at Fidelity

DC Advisory is delighted to have supported Fidelity on its strategic alliance with Pacific Asset Management, a transaction which creates a compelling platform for growth and which will allow them to go from strength to strength.

Andrew Claymore, Managing Director at DC Advisory