



CONVERGENCE
OPTIMAL PERFORMANCE

**A Proforma Look at Apex Fund Services
Post M.M. Warburg Purchase
Convergence Insight #20
January 11, 2018**

On January 8, 2018, Apex Fund Services (“Apex”) announced the acquisition of M.M. Warburg & Company’s Asset Management and Servicing Business (“Warburg”). Convergence created a “pro-forma” view of the combined firm. The newly combined firm has fund administration relationships with 500 private funds with \$111bn in Regulatory Assets. Apex new position in Convergence’s December League Tables remains unchanged in Private Fund Assets and Private Funds. However, competitors should take notice as Apex rank in Real Estate assets has jumped two positions from 10 to 8. The Fund Administration space was very active in 2017 with 9 completed acquisitions totaling 652 funds and \$141bn in Regulatory Assets. Apex was one of the most acquisitive having completed 3 acquisitions since January 2017 totaling 366 funds and \$95bn in Total Regulatory Assets. The question in the minds of all Fund Administration fans is “who will sell next”? Convergence predicts at least one, if not two universal banks will sell their Fund Administration businesses in 2018.

FUND TYPES	# FUNDS						ASSETS (BN)					
	APEX FUNDS	APEX RANK	WARBURG FUNDS	WARBURG RANK	COMBINED FUNDS	COMBINED RANK	APEX FUNDS	APEX RANK	WARBURG FUNDS	WARBURG RANK	COMBINED FUNDS	COMBINED RANK
HEDGE FUNDS	243	14	0	-	243	14	\$35.02	17	\$0.00	-	\$35.02	17
PRIVATE EQUITY	74	22	1	54	75	22	\$15.87	19	\$0.10	145	\$15.98	19
REAL ESTATE	8	20	1	27	9	20	\$3.56	10	\$0.04	83	\$3.5984	8
VENTURE CAPITAL	7	23	0	-	7	23	\$0.17	51	\$0.00	-	\$0.17	26
SAF	125	4	0	-	125	4	\$44.10	4	\$0.00	-	\$44.10	4
OTHER	41	14	0	-	41	14	\$12.09	14	\$0.00	-	\$12.09	14
TOTAL PRIVATE FUNDS	498	12	2	94	500	12	\$110.81	13	\$0.14	279	\$110.96	13
HEDGE FUND STRATEGIES	FUNDS	RANK	FUNDS	RANK	FUNDS	RANK	PFRAUM	RANK	PFRAUM	RANK	PFRAUM	RANK
DEBT-DIVERSE	22	8	0	-	13	15	\$4.53	12	\$0.00	-	\$4.53	12
DISTRESSED-DEBT	0	-	0	-	0	-	\$0.00	-	\$0.00	-	\$0.00	-
EMERGING MARKETS	47	3	0	-	3	21	\$4.08	8	\$0.00	-	\$4.08	8
EQUITY	45	12	0	-	7	26	\$6.66	15	\$0.00	-	\$6.66	15
FUND OF FUNDS	23	16	0	-	86	14	\$1.67	21	\$0.00	-	\$1.67	21
MULTI-STRAT	64	14	0	-	24	29	\$12.90	15	\$0.00	-	\$12.90	15
REAL ESTATE	10	2	0	-	87	3	\$2.38	2	\$0.00	-	\$2.38	2
SAF	0	-	0	-	15	11	\$0.00	-	\$0.00	-	\$0.00	-
QUANT	3	10	0	-	2	14	\$1.18	13	\$0.00	-	\$1.18	13
ALL OTHER STRATEGIES	284		2		263		\$77.40		\$0.14		\$77.54	