



**CONVERGENCE**  
OPTIMAL PERFORMANCE

## **SS&C Acquires DST**

### **Convergence Insight #21**

### **January 11, 2018**

On January 8, 2018, SS&C Technologies (“SS&C”) announced the acquisition of DST Systems Inc (“DST”) for \$5.4bn. SS&C is already the largest Fund Administrator, in terms of funds, in the alternative investment space. DST will contribute \$2.3bn<sup>1</sup> in revenue to the combined SS&C entity, representing 59% of total revenue. This acquisition strongly positions SS&C into the Mutual Fund industry, the 401-k business and Transfer Agent business. SS&C will become the 2<sup>nd</sup> largest Transfer Agent providing services to 1,465 Mutual Funds with a combined Net Asset Value of \$2.8TR.

This continues SS&C’s acquisition spree, which has been its primary growth driver. SS&C completed 5 acquisitions totaling 1,442 funds and \$519bn in Total Regulatory Assets in the Fund Administration space since 2014. Convergence predicts that there will be continued consolidation in the Fund Administration space in 2018. Please refer to the December 2017 Convergence Monthly Insight to see why we believe consolidation will continue.

Convergence is a thought leader in the Fund Administration industry and our data has pointed to several previous acquisitions. Our predictive analytics can guide potential buyers and sellers on “best fit” mergers and acquisitions and trends in the marketplace that can be used to help increase sales. For additional information, contact George Evans at [gevans@convergenceinc.com](mailto:gevans@convergenceinc.com) or John Phinney at [jphinney@convergenceinc.com](mailto:jphinney@convergenceinc.com).

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<sup>1</sup> <https://www.prnewswire.com/news-releases/ssc-to-acquire-dst-systems-300581328.html>

***UPDATE – Subsequent to our posting of Convergence Insight #21, it was announced that the Alps Price Meadows fund administration business was also included in SS&C’s acquisition of DST. Below is a pro-forma view of the combined firm.***

The newly combined firm has fund administration relationships with 3,923 private funds with \$1.8tr in Regulatory Assets. SS&C’s position in Convergence’s December League Tables remains unchanged in Private Fund Assets and Private Funds. However, competitors should take notice as SS&C’s rank in Venture Capital funds jumped one position to #4 and Private Equity assets jumped one position to #1.

FUND TYPES	# FUNDS						ASSETS (BN)					
	SS&C FUNDS	SS&C RANK	ALPS FUNDS	ALPS RANK	COMBINED FUNDS	COMBINED RANK	SS&C FUNDS	SS&C RANK	ALPS FUNDS	ALPS RANK	COMBINED FUNDS	COMBINED RANK
HEDGE FUNDS	1,751	1	262	12	2,013	1	1,405.5	1	\$27.16	18	\$1,432.66	1
PRIVATE EQUITY	1,114	1	63	23	1,177	1	189.8	2	\$3.22	41	\$193.02	1
REAL ESTATE	120	2	13	17	133	2	16.8	2	\$0.19	61	\$16.9880	2
VENTURE CAPITAL	128	5	6	24	134	4	18.1	2	\$0.07	74	\$18.17	2
SAF	112	5	0	-	112	5	42.4	6	\$0.00	-	\$42.40	6
OTHER	307	3	38	16	345	2	46.4	8	\$2.09	31	\$48.49	8
<b>TOTAL PRIVATE FUNDS</b>	<b>3,538</b>	<b>1</b>	<b>385</b>	<b>16</b>	<b>3,923</b>	<b>1</b>	<b>1,723.6</b>	<b>2</b>	<b>\$32.79</b>	<b>26</b>	<b>\$1,756.39</b>	<b>2</b>
HEDGE FUND STRATEGIES	FUNDS	RANK	FUNDS	RANK	FUNDS	RANK	PFRAUM	RANK	PFRAUM	RANK	PFRAUM	RANK
DEBT-DIVERSE	163	2	6	6	169	2	\$457.49	1	\$0.23	27	\$457.72	1
DISTRESSED-DEBT	67	3	4	4	71	3	\$25.69	5	\$0.13	14	\$25.82	5
EMERGING MARKETS	45	4	7	7	52	4	\$29.39	2	\$0.78	17	\$30.17	2
EQUITY	359	1	80	80	439	1	\$117.82	4	\$7.93	13	\$125.75	4
FUND OF FUNDS	320	1	67	67	387	1	\$113.67	1	\$10.27	11	\$123.93	1
MULTI-STRAT	541	3	69	69	610	2	\$618.93	2	\$4.86	22	\$623.80	2
REAL ESTATE	5	4	3	3	8	2	\$2.31	3	\$0.45	10	\$2.76	2
SAF	63	1	2	2	65	1	\$19.27	1	\$1.05	7	\$20.31	1
QUANT	3	3	0	-	3	3	\$7.84	5	\$0.00	-	\$7.84	5
ALL OTHER STRATEGIES	1,972		147		2,119		\$331.19		\$7.10		\$338.28	