
TIAA-CREF buys Nuveen Investments

By Editorial Staff *Thu, Apr 17, 2014*

Nuveen will operate as a separate subsidiary within TIAA-CREF's Asset Management business. The transaction gives TIAA-CREF two mutual fund complexes with aggregate AUM of \$181 billion.

TIAA-CREF has agreed to buy Nuveen Investments, which manages about \$221 billion, from a group led by Madison Dearborn Partners, for \$6.25 billion, inclusive of Nuveen's outstanding debt, according to a TIAA-CREF release. The deal raises TIAA-CREF's AUM to about \$800 billion.

Nuveen will operate as a separate subsidiary within TIAA-CREF's Asset Management business, retaining its current multi-boutique business model and continuing to support its investment affiliates through scaled distribution, marketing and administrative services. John Amboian will remain the CEO of Nuveen, and Nuveen's current leadership and key investment team will stay in place.

The transaction gives TIAA-CREF two mutual fund complexes with aggregate AUM of \$181 billion. The boards of directors at both TIAA-CREF and Nuveen each have unanimously approved the transaction. The acquisition is expected to be complete by year-end 2014, subject to customary closing conditions.

A.M. Best said in a news release that the ratings for TIAA and its wholly owned insurance operating subsidiary, TIAA-CREF Life Insurance Company (both domiciled in New York, NY) remain unchanged following the announcement.

Following the transaction, A.M. Best expects TIAA to remain adequately capitalized for its current ratings. A.M. Best will be monitoring the integration process, along with the impact on TIAA's operating results, risk-adjusted capital and financial leverage once the details about the structure of the acquisition are finalized.

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