

# Aberdeen Asset Management & Standard Life Considering a \$13.5 Billion Merger



Source: MarketWatch

**A**berdeen Asset Management PLC and Standard Life PLC are in talks over a merger that would create one of the U.K.'s biggest asset managers, worth more than GBP11 billion (\$13.5 billion), according to people familiar with the matter. Such a deal would mark the latest attempt to consolidate by fund companies that focus on stock and bond picking, facing mounting competition from low-cost fund providers such as Vanguard Group and BlackRock Inc. A combination of Aberdeen and Standard Life would oversee a total of GBP571.7 billion held across a range of asset classes, including equities and fixed income.

Standard Life reported net outflows of GBP2.6 billion last year. It saw a big drop in inflows at its highly successful Global Absolute Return Strategies fund. The push to consider a merger comes as the industry faces higher costs and regulatory burdens at the same time that passive investments are taking away assets. Of the \$533 billion of net flows into all mutual funds and exchange-traded funds last year, 54%, or \$289 billion, went to funds managed by U.S. index money manager Vanguard Group, according to research firm Morningstar.