

Kelso & Company and Estancia Capital Management Agree to Acquire American Beacon Advisors

Deal Value: Undisclosed

Sandler O'Neill served as financial advisor to Kelso & Company and Estancia Capital Management in connection with this transaction. Overall, this represents Sandler O'Neill's 66th financial services transaction since January 1, 2014, more than any other investment bank during that time period.⁽¹⁾

FORT WORTH, TEXAS — American Beacon Advisors, Inc. ("American Beacon"), an experienced provider of investment advisory services to institutional and retail markets with \$57.2 billion in assets under management as of September 30, 2014, announced today that its parent company, Lighthouse Holdings, Inc., has reached a definitive agreement to be acquired by investment funds affiliated with Kelso & Company and Estancia Capital Management, two leading private equity firms. Lighthouse Holdings, Inc. is majority owned by investment funds affiliated with TPG Capital and Pharos Capital Group, LLC.

The parties expect to close the sale in the second quarter of 2015 subject to satisfactory completion of customary closing conditions, including approvals of the Board of Trustees and shareholders of the American Beacon family of mutual funds and consents from other American Beacon clients. Terms of the agreement were not otherwise disclosed.

"We are pleased to welcome our new partners Kelso and Estancia and are looking forward to building on our successes with a new ownership team," said Gene L. Needles, Jr., President and Chief Executive Officer of American Beacon. "This partnership enables us to move forward with the same focus on and commitment to our clients with no disruption to our day-to-day operations. Additionally, Kelso's and Estancia's resources will help accelerate our strategic growth plans to the benefit of our clients."

"We are delighted to partner with Gene and his team," said Chris Collins, Managing Director of Kelso & Company. "American Beacon has established itself as a premier asset management platform, and we look forward to supporting the company in its next phase of growth."

Takashi Moriuchi, Partner of Estancia Capital Management, added, "We are excited to support management as they continue to build on their successful track record of creating and distributing thoughtful, high-quality investment solutions to meet the demands of institutional and retail clients."

"It has been a great experience working with the management team at American Beacon and partnering with TPG on this investment over the last six years," said Kneeland Youngblood, Founding Partner at Pharos Capital. "The company has had impressive growth under our watch, and we are confident that the new owners will be a great fit for the company. I also would like to thank American Airlines Group, which entrusted us with their assets, and Bill Quinn, founder of American Beacon, who I have been fortunate to have worked closely with for over 15 years in different capacities."

Established in 1986, American Beacon Advisors, Inc. is an experienced provider of investment advisory services to institutional and retail markets. American Beacon Advisors serves defined benefit plans, defined contribution plans, foundations, endowments, corporations, and other institutional investors, as well as retail clients. The firm also provides corporate cash management and fixed-income separate account management. American Beacon Advisors manages the American Beacon Funds, a series of low-cost mutual funds. The Funds employ a "manager of managers" investment style and currently include international and domestic equity, fixed-income, and money market funds.

(1) Source: SNL Financial. Includes financial services transactions in all geographies since January 1, 2014; excludes terminated transactions or self-advisory roles

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