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## Bain, Reverence Near \$3.5 Billion Deal for Investnet

- Deal values Investnet at \$4.5 billion including debt
- BlackRock among strategic partners investing in deal

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[Bain Capital](#) and [Reverence Capital Partners](#) have agreed a deal to take [Investnet Inc.](#) private, accentuating the extent of investor interest in software firms exposed to wealth management.

The buyout firms is paying \$63.15 a share for Berwyn, Pennsylvania-based Investnet, according to a [statement](#) on Thursday that confirmed an earlier Bloomberg News [report](#). The offer values Investnet at \$3.5 billion on an equity basis and at \$4.5 billion including debt.

Strategic partners BlackRock Inc., Fidelity Investments, Franklin Templeton and State Street Global Advisors have all agreed to invest in the transaction and will hold minority positions in Investnet once the deal completes.

Investnet fell 0.2% to \$61.60 at 1:38 p.m. in New York trading Thursday, giving the company a market value of about \$3.4 billion. Reuters reported earlier this month that Bain was close to an acquisition of Investnet.

Investnet offers software and data to wealth managers, banks and other clients that helps them manage and evaluate investments. It manages more than \$6 trillion in assets and oversees nearly 20 million accounts, according to Thursday's statement.

Private equity firms have been ramping up their interest in the broad software and financial technology sectors, where businesses tend to have reliable cash flows and can be scaled up through acquisitions.

Phil Loughlin, a partner at Bain who worked on the deal, said in an interview that Bain's investment in Investnet is "much more about the business as it is today."

“We like where they’re positioned, their strategy, and aren’t seeking radical changes in direction of vision, but we think we can purposeful in prioritizing and resourcing to accelerate change,” Loughlin said.

Though the buyout firm participated in a competitive process, Bain has been tracking Envestnet for years, Marvin Larbi-Yeboah, another Bain partner who worked on the deal, said. Bloomberg reported in May that Envestnet was also drawing takeover interest from private equity firms including Advent International and GTCR.

Morgan Stanley advised Envestnet on the deal, while JPMorgan Chase & Co. was lead adviser to Bain, which also received debt financing and advisory services from RBC Capital Markets, BMO Capital Markets, Barclays Plc and Goldman Sachs Group Inc. Funds managed by Ares Management, Blue Owl Capital and Benefit Street Partners also provided debt financing for the transaction.

*(Updates with comments from Bain Capital from seventh paragraph.)*

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