

# **Bond Case Briefs**

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## **TIAA-CREF to Buy Nuveen Investments for \$6.25 Bln.**

(Reuters) - TIAA-CREF, an insurer and asset manager focusing on workers at non-profit organizations, said it would acquire fund manager Nuveen Investments for \$6.25 billion, seeking to expand its mutual fund and municipal bond offerings.

The deal will add more than \$221 billion in assets to TIAA-CREF's roughly \$569 billion in assets under management, broadening its portfolio with closed-end municipal bond funds that offer regular, annuity-type payouts.

Robert Leary, president of TIAA-CREF Asset Management, said his company is looking to sell more of its asset management products through Nuveen's distributors.

It also offers relief to Nuveen's current owner, private equity firm Madison Dearborn Partners LLC. Madison Dearborn will break even on the deal, according to a person close to the firm, having taken Nuveen private in 2007 for \$5.8 billion and saddled it with debt that weighed on its [earnings](#).

The transaction comes at a difficult time for the municipal bond market that many Nuveen funds invest in. Tax-free muni [bonds](#) have been hit over the last year by the [bankruptcy](#) of Detroit, fears of rising rates, and longer-term concerns about a looming pension crisis among city and state issuers.

The deal is expected to close by the end of the year, pending approval from existing Nuveen clients and antitrust regulators.

[Lazard Ltd](#) and J.P. Morgan Securities LLC advised TIAA-CREF. Bank of America [Merrill Lynch](#), Wells Fargo Securities LLC and Citigroup [Global Markets](#) acted as financial advisers to Nuveen Investments. UBS Investment Bank, Goldman Sachs & Co and Moelis & Co acted as financial advisers to the Nuveen management team. (Reporting by Greg Roumeliotis and Mike Stone in New York; Editing by Tom Brown)

By [Greg Roumeliotis](#) and Mike Stone

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