

# SEWARD & KISSEL LLP

Seward & Kissel advises Alger Associates  
on its acquisition of Weatherbie Capital

Seward & Kissel's Business Transactions Group  
*Focusing on Middle-Market Deals*

In March 2017, **Alger Associates, Inc.** completed its previously announced acquisition of growth equity investment manager **Weatherbie Capital, LLC**. **Seward & Kissel** was pleased to represent Alger in this middle-market M&A transaction.

Boston-based Weatherbie Capital was founded in 1995, focuses on investing in U.S. small and mid-cap growth equities and has over \$800 million in assets under management. Alger is a leading asset management firm founded in 1964 with \$19.5 billion of assets under management as of December 31, 2016.

Seward & Kissel LLP ([www.sewkis.com](http://www.sewkis.com)) is a leading New York law firm, originally established in 1890, offering legal advice emphasizing business, financial and commercial law and related litigation. The firm's Business Transactions Group handles middle-market M&A, private equity, venture capital and joint venture transactions involving a wide variety of industries. The firm is ranked as Highly Regarded for Corporate/M&A by Chambers USA and is recommended by The Legal 500 in the middle-market M&A category, stating that Seward & Kissel “advises on market-leading transactions within the industries where the firm has an international reputation, namely investment management and shipping” and “also handles complex middle-market deals in the media industry and international sell-side M&A.”

The press release describing this transaction is reproduced below for your information.

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# ALGER

New York, New York

**has acquired**



WEATHERBIE CAPITAL, LLC

Boston, Massachusetts

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Seward & Kissel  
acted as counsel to Alger

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SEWARD & KISSEL LLP

March 2017

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## **Alger Expands Growth Equity Expertise with the Acquisition of Weatherbie Capital**

**NEW YORK, January 17, 2017** – Alger Associates, Inc. (Alger), the parent company of Fred Alger Management, Inc., a leading asset management firm, today announced that it has agreed to acquire Boston-based Weatherbie Capital, LLC (and related companies, collectively “Weatherbie Capital”), a specialized growth equity manager with over \$800 million in assets under management.

Weatherbie Capital was founded in 1995 by Matthew Weatherbie and, similar to Alger, takes a fundamental, bottom-up research approach to investing in growth equities. Weatherbie Capital aims to identify and invest in attractive U.S. small- and mid-cap companies poised for growth. The firm’s flagship strategy, the Weatherbie Specialized Growth strategy, has, for its 20-plus years in existence, demonstrated a record of strong relative performance. Mr. Weatherbie will remain CEO and, again become Co-CIO, of Weatherbie Capital, which at closing, will become a wholly owned subsidiary of Alger.

“We are thrilled that Matt and his team have decided to affiliate with Alger. As with our firm, Weatherbie Capital has had in place a proven investment process and philosophy since its founding. This, along with a strong cultural fit and synergies, and similarities between our firms’ approaches to investing in growth equities, makes this acquisition a natural fit,” said Dan Chung, CEO and Chief Investment Officer of Fred Alger Management, Inc. “The Weatherbie Capital results speak for themselves and we are confident that Alger will be strengthened by their insight and expertise.”

Weatherbie Capital has nine employees and will continue to operate in Boston as a discrete subsidiary of Alger Associates, Inc. The firm currently offers three main investment strategies: the largest strategy is the Weatherbie Specialized Growth strategy, a long-only smaller companies investment strategy. In addition, they manage two private funds for high-net-worth investors, one a focused long oriented strategy and the other a long/short strategy.

“We have always had a deep respect and admiration for the Alger team,” commented Mr. Weatherbie. “They have set the standard for growth investing and we believe our clients will benefit greatly by the scale and resources provided by their impressive investment team and distribution network. We are very excited to become a part of the Alger organization, which now provides a pathway for my colleagues and Weatherbie Capital to be successful and grow many decades into the future.”

There will be no changes to Weatherbie Capital's investment process, which is primarily based upon finding companies in six of the most dynamic growth sectors in the U.S. economy - Consumer, Health Care, Diversified Business Services, Media and Communications, Information Services, and Technology. The investment team seeks to identify companies with a significant and enduring business advantage that will produce sustained earnings growth into the future.

The Board of Directors of certain mutual funds Alger advises has approved Weatherbie Capital assuming certain portfolio management responsibility for two of Alger's strategies upon closing of the transaction. This will bring incremental assets to both the Weatherbie Capital Specialized Growth strategy and the Weatherbie Capital Long/Short strategy. Alger expects that these added assets will, upon transition to Weatherbie Capital, bring Weatherbie Capital's assets to more than \$1 billion.

"We have always believed there is a unique and potentially advantageous investment opportunity in a company's lifecycle that exists just beyond what we call the 'perils of infancy' and just before a company fully matures. That is where we find opportunities to invest; and that is where we have been able to identify exciting growth opportunities for the past twenty years," stated Mr. Weatherbie.

The firms hope to close the transaction in early March 2017. K&L Gates represented Weatherbie Capital, LLC and Seward & Kissel represented Alger in the transaction. Westwood Partners assisted Alger in this transaction.

### **About Fred Alger Management, Inc.**

Fred Alger Management, Inc. was founded in 1964 and as of December 31, 2016 managed \$19.5 billion. Alger's investment philosophy is focused on uncovering companies undergoing Positive Dynamic Change, which we believe offer the best investment opportunities. Alger investment strategies are available to non-U.S. and institutional investors through separate accounts and the Alger SICAV funds. For more information, please visit [www.alger.com](http://www.alger.com).

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### About Seward & Kissel LLP

Seward & Kissel LLP, founded in 1890, is a leading U.S. law firm with an international reputation for excellence. We have offices in New York City and Washington, D.C.

Our practice primarily focuses on corporate, litigation and restructuring/bankruptcy work for clients seeking legal expertise in the financial services, corporate finance and capital markets areas. The Firm is particularly well known for middle-market, cross-border M&A transactions and for its representation of major commercial banks, investment banking firms, investment advisers and related investment funds (including mutual funds, private equity funds and hedge funds), hedge fund administrators, broker-dealers, institutional investors and transportation companies (particularly in the shipping industry).

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