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LP AMG enters contest for Hastings Affiliated Managers Group has emerged as another group circling Westpac's infrastructure investor Hastings Funds Management, joining US-based pension fund TIAA-CREF in an upcoming contest for the business.

The New York-listed global asset manager, based in Massachusetts, owns stakes in a number of boutique asset managers, hedge funds and specialised private equity firms that were last year worth $US7.7 billion ($10.8bn).

TD AMG was an underbidder to Nikko Asset Management when it paid $129m for Suncorp's Tyndall Investments fund management business, and it will be interesting to see if it emerges as part of a bidding consortium for Hastings, given it is not known to buy businesses in their entirety.

Berkshire Capital has been hired by Westpac to potentially sell the infrastructure fund manager. It is now understood the sales process is in progress, although it is believed to extend to only a handful of international parties.

Apparently about five or six parties have been in talks.

One thought behind this is that some investors within the Hastings funds have expressed concern about a potential sale given their commitment to Hastings is linked to the credibility of parent Westpac.

It is understood while a party such as TIAA-CREF would be to their satisfaction, the nervousness extends to whether the business ends up in the hands of a less credible owner.

Hastings, which could be worth $500m, controls more than $7bn of assets, including stakes in Sydney's desalination plant and Port of Newcastle.

It is among the four bidding consortiums competing for the NSW state government's transmission network, TransGrid, joining forces with the listed Spark Infrastructure, Abu Dhabi Investment Authority and other parties in the consortium.

Binding bids are due on November 23 for the highly prized government-owned asset, which could sell for as much as $9bn.

The Foreign Investment Review Board may tighten restrictions even further for offshore groups in the contest. These groups have been told they must own no more than half the asset to gain approval, according to one source.

Macquarie's infrastructure arm and the Chinese government-owned State Grid is the partnership many believe is most likely to be affected by FIRB's concerns.

Meanwhile, there are suggestions services groups Transfield and Downer EDI could be close to some of the consortiums, in the hope of winning contracting work out of the deal.

One bet is the team close to Transfield includes Australian Super, Borealis and the Canada Pension Plan Investment Board.

The fourth group bidding for TransGrid is IFM and the Queensland Investment Corporation.

Mirvac back in the race The seemingly endless struggle to resolve the fate of one of the largest landlords in the country, the Morgan Stanley-backed Investa Property Group, looks set for another dramatic twist as Mirvac prepares to storm back in to the race for the property giant's management platform.

Earlier this week, Mirvac executives flew to China to meet representatives of CIC, the country's sovereign wealth fund, in an effort to win control of a portion of the Investa empire.

The Chinese heavyweight paid Morgan Stanley $2.45 billion earlier this year for the directly-owned skyscrapers within Investa.

The deal, which trounced the market's price expectations and set a new benchmark yield in the office sector, was meant to form the first phase of the bank's exit from the business.

Instead internecine frictions within Investa are intensifying and the $8.9bn empire continues the prospect of a bitter breakup. The problems centre on the conflicting objectives of the group's two funds, the listed Investa Office Fund and the unlisted Investa Commercial Property Fund.

Both wanted to internalise and spearhead a move to take over the entire management platform.

Yet while IOF's efforts on this front have proved fruitless, its stablemate has met with far greater success. Not only has it won more Investa assets from Morgan Stanley it has also persuaded the bank to accept close to $80 million less than what it might have secured for the management rights.

In September, Mirvac offered $400m odd for platform and twin stakes in IOF and ICPF.

That bid was trampled when ICPF demanded the ability to pursue an internalisation.

However, the unlisted fund, which holds stakes in some of the country's top buildings including Deutsche Bank Place in Sydney, now faces a new challenge.

IOF has refused to sign up to the move and looks increasingly likely to pursue an internalisation. The vehicle, in which CBRE ranks as one of the biggest shareholders, is still in the midst of a strategic review.

The two funds failure to reach an agreement has strengthened the hand of CIC, since its portfolio forms the third leg of the Investa office management platform.

Earlier this week, ICPF and Investa executives also jetted out to China in the hope they could win CIC's support for the internalisation — a move that would isolate IOF. But CIC has yet to decide and with two out of the three constituents of the platform wavering, ICPF's deal looks shaky. The uncertainty has allowed Mirvac to muscle back in to the race and some in the sector predict the listed trust will eventually prevail.

BrisConnect shortfall It now appears the pricing for BrisConnections is not as high as expected. Apparently there are suggestions Transurban's bidding price is around $1.5 billion — far less than the $2bn the vendors - expected.

Sydney infrastructure manager CP2, meanwhile, which is supposedly the frontrunner in the contest, is understood to be offering a price only slightly higher.

The exact date for second round bids in the Fort Street and Macquarie-advised contest still remains unclear, although it will be some time at the end of this month or early next.

BrisConnections is the owner of the 6.7km toll road AirportlinkM7, which connects Brisbane to the city's airport.

It is up for sale by receiver PPB Advisory.

Meanwhile, there has been little news out on Pacific Hydro, despite the sales process expected to conclude by Christmas.

Brookfield's top executives have signalled that the global investor is not in the frame for the asset, despite speculation it was one of the strongest contenders to win.

That would leave Morrison & Co and Morgan Stanley Infrastructure as the parties most likely to win the Australian component of the business, with some suggesting bidder Pacific Equity Partners is less enthusiastic to gain control of the assets.

There have been mixed reports as to whether Morgan Stanley is also intending to buy the Latin assets of the renewable energy business, which is owned by IFM and expected to sell for more than $2bn.The process will be run by Bank of America Merrill Lynch and Credit Suisse.

CO hasfml : Hastings Funds Management Limited | namclm : Nikko Asset Management Company Limited | tinsan : Teachers Insurance and Annuity Association - College Retirement Equities Fund | wstpac : Westpac Banking Corporation Limited | ccred : Citigroup Inc. | niksec : Citigroup Japan Holdings Corp. | tiaabd : TIAA Board of Overseers

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