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iM Square Secures Funding to Buy Stakes in Asset Managers

The French investment firm is targeting asset managers in the U.S. and Europe.

By Julie Segal

iM Square, a European investment firm, has received a commitment for additional funding from founding shareholder Eurazeo.

The firm plans to invest \$500 million from current and future shareholders over the next two to four years, according to Philippe Couvrecelle, founder and chief executive officer of iM Square. He declined to disclose the size of the commitment from Eurazeo, which is now the firm's majority shareholder.

The financing puts Paris-based iM Square, which is also backed by French asset manager Amundi, in position to take stakes in three to six active managers, including alternatives firms, with about \$1 billion to \$20 billion in assets. The firm will also use the funding to invest in its U.S. distribution group led by newly hired Jeffrey Seeley, who earlier in his career was head of distribution at AMG Funds, part of publicly-traded Affiliated Managers Group.

iM Square is a European version of holding companies such as U.S.-based AMG, which buys stakes in active managers and provides global sales, marketing, and compliance support to affiliated firms. The French firm primarily seeks to acquire stakes in managers in the U.S. and Europe, and will invest \$20 million to \$80 million in each, according to Couvrecelle.

"We face a lot of competition from private equity firms and others who are after a piece of a highly profitable and highly scalable business," he said in a phone interview. "But the difference is we offer permanent capital."

iM Square shareholder Groupe Dassault/La Maison has also provided additional funding, according to Couvrecelle. He said iM Square continues to seek new manages U.S. corporate bonds. iM Square took a 20 percent stake in Polen and a 45 percent stake in Dolan McEniry. Couvrecelle said iM Square helped Polen more than double assets to \$17.4 billion, from \$7.5 billion when the deal closed in 2016. Dolan McEniry has increased its assets to \$6.5 billion, from \$5.8 billion at the time of iM Square's 2016 investment in the firm.