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FTfm Mergers & Acquisitions

French fund company prepares global buying spree

Amundi-backed IM Square aims to spend \$500m on deals in Europe and the US

A French investment company backed by Amundi, Europe's biggest fund manager, is plotting a spate of acquisitions in Europe and the US in a sign of France's growing global ambitions for asset management.

Paris-based IM Square aims to spend about \$500m to acquire stakes in fund boutiques after securing a new financing commitment from [Eurazeo](#), the French private equity group listed on the NYSE Euronext exchange.

Philippe Couvrecelle, president of IM Square, is targeting up to six deals as part of an [aggressive growth strategy](#) aimed at creating an investment group that can be floated on a stock exchange at a later date.

"This additional commitment will allow us to accelerate the rollout of our project, acquiring stakes in new partner companies and strengthening our distribution capabilities," said Mr Couvrecelle.

IM has not ruled out doing deals in the UK despite the uncertainties around Brexit, but it has no plans to participate in the [initial public offering](#) for DWS, Deutsche Bank's asset management arm.

IM Square has also launched a new US distribution platform to attract clients in North America. Jeffrey Seeley, a former head of US retail distribution at [Affiliated Managers Group](#), the Florida-based multi-boutique manager, has been recruited to lead the sales drive as head of the new platform, known as IM Global Partner US.

Adding US distribution capabilities to complement IM's existing European platform would "allow current and future partners to fully focus on the management of their funds", said Mr Couvrecelle.

Since its launch in 2015 IM Square, which is also backed by the French asset managers Amundi and La Maison, has acquired stakes in Polen Capital, a US growth specialist, and Dolan McEniry, a US corporate bond boutique.

Amundi has grown to become one of the world's largest fund companies by assets under its stake in Latigo Partners, a \$500m US hedge fund manager, for an undisclosed sum.

Compétition is intensifying among buyers looking to acquire stakes in alternative investment boutiques, particularly private equity managers. This is fuelling concerns that a pricing bubble has developed for deals.

Mr Couvrecelle, a former chairman of Edmond de Rothschild Asset Management, the French fund house, said IM would remain disciplined and aim to pay a multiple of between nine and 11 times earnings before interest, taxes, depreciation and amortisation in pursuing deals.

Blackstone, the New York-listed private equity group, announced on March 13 that it had bought a minority stake in Rockpoint, a Boston-based real estate investment manager. Terms of the deal were not disclosed.

The Rockpoint deal was done by Blackstone's \$3.3bn Strategic Capital Holdings fund, which has also acquired stakes in several hedge fund managers including Marathon, Magnetar Capital, Solus and Senator, as well as Leonard Green, the Los Angeles-based private equity group.

Fidante Partners, a London-based subsidiary of Challenger, the Australian-listed investment manager and insurance group, announced on Thursday it had acquired a minority stake in Latigo Partners, a \$500m US hedge fund manager, for an undisclosed sum.

Petershill, part of Goldman Sachs Asset Management, and Dyal Capital, a division of Neuberger Berman, have also together raised more than \$7bn to buy stakes in private equity companies.

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