

Multi-Boutique iM Global Is Bullish on Value Managers

iM Global Partner — a multi-boutique which invests in asset managers — has acquired a 40 percent stake in \$3.4 billion Scharf Investments, an employee-owned U.S. equity value manager.

Scharf, founded in 2007, is run by Brian Krawez, president and chairman of the investment committee. Scharf's flagship investment strategy has performed in the top 1 percent of peers since inception in 1990, according to research firm PSN Informais. In addition to long-only U.S. equity, Scharf manages long-only multi-asset; long/short hedged U.S. equity, and long-only global equity strategies.

Phillippe Couvrecelle, founder and CEO of iM Global, said the deal is the fifth investment in the U.S. In interviews with Institutional Investor, Couvrecelle has said that while the firm generally buys stakes in asset managers, iM Global aims to wholly purchase a small or mid-size U.S. distribution platform, such as a mutual fund family. iM Global could then package investment strategies from its lineup of asset managers for distribution through the mutual funds.

iM Global has been eyeing U.S. and international value-oriented equity shops for some time, as their strategies have undergone an unusually long run of underperformance. iM Global is also in the market for stakes in U.S. fixed income and European equity managers. In September, iM Global acquired 45 percent of liquid alternatives firm Dynamic Beta investments. It invested in hedge fund Sirios Capital Management last year.