

iM Global Invests In a \$14.6B-AUM Shop

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A European ally to asset managers is investing in a 12-year-old, \$14.6-billion-AUM (as of June) ETF strategist in Gotham.

Last week, Richard Bernstein -- CEO, chief investment officer, and founder of Richard Bernstein Advisors (RBA) - and Philippe Couvrecelle CEO and founder of iM Global Partner, confirmed that Paris-based iM Global Partner recently purchased a 45- percent, non-controlling stake in New York City-based RBA. Watch for the iM Global Partner team to help boost RBA's distribution, especially abroad but also in the U.S.

Piper Sandler & Co. advised RBA on the deal, while Hottinguer Corporate Finance advised iM Global Partner. In terms of legal counsel, Vedder Price worked with RBA, while Seward & Kissel worked with iM Global Partner.

John McCombe, president and director of distribution at RBA, confirms that the firm had been 100-percent owned by Bernstein himself, with some employees holding "phantom equity." Now that the iM Global Partner deal is done, Bernstein remains the majority owner with a 55-percent stake in his eponymous firm, McCombe adds.

"Rich and myself have signed long-term agreements as part of this, long-term employment agreements," McCombe tells MFWire. "We're fully engaged. That was kind of an important thing for all parties, including us.

"We couldn't be more excited to work with John and Richard going forward with those long-term employment contracts, " Jeff Seeley, deputy CEO of iM Global Partner and U.S. chief, tells MFWire.

RBA has a team of 33 people, while iM Global Partner includes about 100 people (including about 60 in the U.S.), McCombe and Seeley confirm. In addition to RBA's core separately managed accounts (SMAs) of its ETF strategies, the asset allocation specialist also subadvises two mutual funds for Morgan Stanley's Eaton Vance and UITs and ETFs for First Trust. The deal with iM Global "was done with an eye toward maintaining those" institutional relationships, McCombe says.

"We love those relationships, and we want those to continue," McCombe adds, noting that the deal did not involve a change in control of RBA. "Everything stays the way it's been run since the beginning ... We kind of consider it business as usual for us." That fits with iM Global Partner's standard model, Seeley notes: taking long-term, minority stakes in time-tested asset management boutiques, then helping those boutiques grow.

In the case of RBA, Seeley says that iM has a lot of European distribution support to offer.

"Both parties are mutually aligned for growth," Seeley says. And in the U.S., RBA already has "a very large and successful footprint" in terms of distribution, Seeley notes, but the iM Global Partner team will offer some support, too.

"We're very prominent at the large wires ... But there's a lot of platforms out there," McCombe says. "We're hoping that Jeff's team can help us move beyond just the large ones."

"This is the formation of a very powerful symbiotic relationship between iM Global Partner and RBA," Bernstein states. " iM Global Partner's proven European institutional distribution and offshore capabilities will expand RBA's investor base globally, whereas RBA's broad U.S. visibility will significantly enhance iM Global Partner's rapidly growing presence in the U.S."

"The cultural fit ... is a big part of this as well," McCombe says. "This whole notion of complementing our growth was really a big part of this for us."

The iM Global Partner -RBA deal comes less than a month after an insurance asset manager unveiled a \$166-million acquisition facility for iM Global Partner to use for deals. The RBA-iM Global Partner deal also comes less than two months after the iM Global Partner team closed on their planned acquisition of a U.S. wealth management RIA with its own multi-manager, subadvised mutual fund business.

RBA is now one of seven boutiques (six of them in the U.S.) that iM Global Partner owns minority stakes in: a European equities shop; a liquid alts shop; a U.S. and global growth equity shop; a U.S. credit shop; a U.S. long/short equity shop; and a U.S. value equities shop. As of last month, iM Global Partner represented about \$35 billion in AUM.

"RBA is a great addition to our network of Partners and their expertise is unanimously recognized in the U.S.," Couvrecelle states. "The partnership not only demonstrates the scale and vision of our global network, but also underlines our deep commitment to the U.S. market."

"We're super-excited to have them as a partner," Seeley says, lauding RBA as "one of the top 10 SMA asset allocation specialists."

And watch for the iM Global Partner to team up with, and invest in, additional boutique asset managers, though not ones whose capabilities overlap with the firm's existing partners.

"We are looking for unique asset managers that are specialists," Seeley says. "There's a variety of other asset classes that are of interest to us."