

iM Global Partner aims for more EM, alts, credit boutique stakes

Plans muni bond fund development with new affiliate **Asset Preservation Advisors**

By Randy Plavajka, 15 September 2021

iM Global Partner has its sights set on more inorganic opportunities for investment boutiques in the credit space, alternative segments and emerging markets in Asia and other regions outside the US.

The \$37bn Paris-based multi-boutique added the eighth franchise, Asset Preservation Advisors, to its roster on Sept. 15 and is already working on plans to roll out a mutual fund with the \$4.Bbn Atlanta-based muni bond specialist in the upcoming months.

iM Global's appetite for more inorganic deals has not been satiated and deputy CEO Jeff Seeley told *TFI* the firm is exploring more deals outside its current slate of asset classes for future opportunities. IMGP has minority stakes in six other asset managers and APA will cover the tax-exempt and taxable muni bond space for the firm.

IMGP kicked off its US and global expansion in 2015 with an investment in Polen CaP-ital. The firm has since grown by taking minority stakes in boutiques that have brought IMGP capabilities with US credit, US long/short equities, liquid alternatives, US value equities, European equities and global asset allocation atop Polen's expertise in the US and global growth equity markets.

Seeley said IMGP is still looking for more capabilities in the credit space outside of municipals and corporates, as well as alternative segments and emerging markets. IMGP's growth picture is global in nature and Seeley said the firm wants to use its US mutual fund and ETF platform in tandem with its UCITs business to capture more opportunities going forward.

The multi-boutique is not looking to double up on any of its existing capabilities as it looks for more boutique investment targets, Seeley noted. With APA specifically, the firm had wanted to enter the US muni market for some time and views the Atlanta-based specialist as the sole route for developing its muni market presence over the long term.

IMGP's research process is headed up by Jean Maunoury, the firm's CIO of research and investment and fellow deputy CEO alongside Seeley. The firm's AuM target over the decade remains true still with sights on \$1 00bn to \$1 50bn by the end of 2030. Barings supplied additional fuel for IMGP's M&A ambitions in July with \$142m of financing for the multi-boutique manager.

The firm is focused on taking more minority positions specifically as IMGP grows to leave contrai in the hands of the boutiques themselves. Similar to other serial boutique acquirers - such as Virtus Investment Partners, Mediolanum International Funds and VictoryY- CaP-ital - cultural fit is just as important as performance track records to IMGP.

"We're looking for entrepreneurs that want to continue to grow their business, but look for a partner to make an investment in them as well as help them grow from a distribution standpoint globally through our network," Seeley said.

IMGP's global distribution network includes a Luxembourg-domiciled Sicav through its acquisition of Oyster Funds and the US wealth management presence gained through its complete integration of Litman Gregory in June.

IMGP's current partner roster I Asset classes, headquarters, partnership tenure

Firm Name	Headquarters	Investment Category	Partnered since
Polen Capital	Boca Raton, Florida	Focus	2015
Dolan McEniry	Chicago, Illinois	US and global growth equities	2016
Sirios	Boston, Massachusetts	US credit	2018
Dynamic Beta Investments	New York, New York	US long/short equities, US credit	2018
Scharf Investments	Los Gatos, California	Liquid alternatives	2019
Zadig Asset Management	London, England	US value equities	2020
Richard Bernstein Advisors	New York, New York	European equities	July 28, 2021
Asset Preservation Advisors	Atlanta, Georgia	Global asset allocation	
		Tax-exempt, taxable muni bonds	Sept. 15, 2021

Source: TFI

APA's product priorities

With new firepower on hand from IMGP, APA co-CEO and CIO Kevin Woods told *TFI* that the boutique will continue trying to match the pace of market demand for tax-free muni bonds to continue its own growth.

Seeley said APA and IMGP are working on launching mutual funds to further expand access to APA's capabilities to a broader market. APA's product lineup is rooted in custom SMA muni bond portfolios and includes tax-exempt and taxable offerings.

In recent months, market conditions and investor sentiment have driven strong sales into muni bond strategies that have helped the funds outpace YTD flows of their equity-focused peers. Tax-exempt muni bond funds have picked up \$61.3bn of new inflows throughout 2021, Morningstar Direct data shows.

Woods said APA was previously approached by multiple acquirers who were seeking 100% control of the firm before a mutual, minority-gated approach was reached with IMGP. Factoring in the younger demographic composition of APA, Woods said there was no desire to sell APA or lose control of the investment process in any investment deal.

APA is keeping eyes on muni bond market conditions for additional business opportunities. Woods noted the space could see an increased positive impact from the potential return of Build America Bonds and advance refunding as the US government works out its latest budget and infrastructure plans.