

Investment Strategy

Amundi-backed IM Square launches aggressive growth plan

Investment company aims to rival Affiliated Managers Group, the US multi-boutique

MADISON MARRIAGE

IM Square, the investment company backed by Amundi, Europe's largest listed asset manager, has taken its first stake in a US bond fund house as part of an ambitious plan to build a global investment business that competes with much larger rivals.

The London-based company, which was founded by Philippe Couvrecelle, former chairman of the board of Edmond de Rothschild Asset Management, the French fund house, has taken a 45 per cent stake in Dolan McEniry Capital, a US investment boutique with \$5.8bn of assets.

The deal is the second to be announced this week with the involvement of Amundi, which said on Monday it had doubled the size of its stake in Tobam, the French investment boutique, to 20 per cent. Amundi is also one of the final bidders in the race to buy Pioneer, the Italian asset manager that has been put up for sale by UniCredit, the Milan-headquartered bank.

Mr Couvrecelle said the partnership with Dolan McEniry will be followed by another eight to 10 deals



over the next two years as IM Square pursues an aggressive growth strategy. His goal is to position the company as the European rival to Affiliated Managers Group, the large US-listed multiboutique fund house that oversees \$730bn of assets and has stakes in more than 30 affiliates.

He said: "We are looking for other fixed income fund managers because investors everywhere in the world, especially in Europe, have a very strong need for yield. I speak with institutional investors very often who are looking for yield, but they do not know how to [find] it in a secure way.

"Over the next two years we should invest at least €250m in acquiring stakes in another

eight to 10 asset management companies.

"Around 70 per cent of those partnerships will be in the US, as the investment universe is wider and deeper than anywhere else, as well as Europe and Asia."

IM Square will target mature and profitable investment companies that manage between \$1bn and \$15bn of assets and need support to expand internationally.

IM Square made its first investment — a 20 per cent holding in Polen Capital, a US-based investment boutique that focuses on undervalued stocks — at the start of the year.

Mr Couvrecelle said: "We are an industrial investor with permanent capital. We

are not a private equity fund, and we are not looking to sell the stakes. A lot of private equity funds want to sell their [holdings] after five years. We are not in this game, and it makes a difference."

The Dolan McEniry investment is the second by IM Square since the company launched last year with the backing of Amundi and two other large shareholders: Eurazeo, the private equity firm listed on the NYSE Euronext exchange; and La Maison, the investment company backed by Dassault Group, the French industrial conglomerate.

Mr Couvrecelle, who is president of IM Square, is looking for a fourth shareholder in the US or Canada to invest in the company, which he hopes to take public within the next five years.

IM Square has also made its first European investment by acquiring Montmartre Asset Management, the French fund company that has around €200m of assets. The deal is subject to approval by the French regulator.