

Asian American & Pacific Islanders Underrepresented: AAAIM Study

Investment management firms owned by Asian American and Pacific Islanders manage less than 1% of U.S. assets, according to a new study from the Association of Asian American Investment Managers and Bella Private Markets.

The study found that Asian American and Pacific Islanders (AAPI) own 3.5% of firms and 2.9% of funds and manage 0.7% of industry assets while accounting for 5.6% of the total U.S. population. Additionally, the average size of AAPI funds is less than \$500 million.

From a performance perspective, AAPI funds across hedge funds, real estate, private equity and public equity matched or exceeded industry benchmarks, the study found, noting that AAPI-owned private equity funds were overrepresented in the top quartile.

“Research has shown that diverse-owned funds have a substantial impact on the economy at large. These investors tend to back diverse entrepreneurs, who in turn address the needs of underserved communities. Our study shows that the AAPI investment

Substantial Under-representation of AAPI Ownership Across Asset Classes

ASSET CLASS	% OF FIRMS	% OF FUNDS	% OF AUM
	<i>That are AAPI-owned</i>	<i>That are AAPI-owned</i>	<i>Held by AAPI-owned funds</i>
Private Equity	3.1%	3.4%	2.0%
Real Estate	0.3%	0.2%	0.2%
Hedge Funds	6.8%	4.3%	1.6%
Public Equity	4.5%	1.8%	0.2%
Total	3.5%	2.9%	0.7%

Source: Bella Research Group

community offers a significant opportunity for asset managers who want to both do good and do well,” AAAIM Co-Chair Brenda Chia said, in a statement.

The study was led by Dr. Josh Lerner of Harvard Business School and evaluated U.S.-based firms that had AAPI ownership above 50%.

The full report is available on the AAAIM [website](#).

Bernzott Capital Partners Loses 3 Investment Team Members

Domestic small-cap value equity manager Bernzott Capital Advisors saw three key investment team members leave in November to launch a new equity team at McMorgan & Company.

Bernzott Portfolio Managers Thomas Derse, Scott Larson and Ryan Ross left the Lakeway, Texas-based firm on Nov. 10 to form the McMorgan Equity Team.

The three portfolio managers resigned “simultaneously and without notice,” Chairman Kevin Bernzott said, in an e-mail at the time.

The firm has since hired Sean Greely and Robert Fitzpatrick as portfolio managers and analysts, according to its website.

Greely was previously a partner at Monarch Partners Asset Management and Fitzpatrick was previously a senior portfolio manager at Cadence Capital Management.

Monarch Partners hired Senior Equity Research Analyst Rob Haderer in early September and Greely transitioned his responsibilities

prior to his last day on Sept. 30, Spokesman Frank Saeli said, in an e-mail.

Bernzott managed \$1.04 billion in assets, including \$636 million within its small-cap value strategy, as of Sept. 30, according to the firm’s website.

The firm’s client roster included emerging manager-of-managers mandates through Attucks Asset Management with the Stanislaus County (Calif.) Employees Retirement Association and the City of Memphis (Tenn.) Retirement System.

The firm has already been terminated from a \$150 million direct small-cap value equity portfolio with the Los Angeles City Employees Retirement System and will make a presentation to the Boston City Retirement System on Dec. 16.

The firm managed approximately \$117 million for the Boston plan as of Sept. 30.

Ziegler Acquires Minority Stake In GIA Partners

GIA Partners has sold a minority stake to Ziegler Capital Management, Managing Director and CIO Eduardo Cortes said.

The credit manager will sell a 40.7% stake to ZCM as part of a new partnership that will provide GIA with new distribution channels and give ZCM new product offerings, he said.

GIA’s portfolio management team led by Cortes will continue to manage all of the firm’s strategies. The firm, which manages more than \$2.4 billion in assets under management, will remain majority minority-owned.

ZCM manages more than \$9.6 billion in assets across fixed-income and equity strategies and Cortes said GIA’s strategies complement their existing offerings.

“Our expertise is in credit and they have a broad, pretty high-quality fixed-income activity so the two will be highly complementary,” he said.

Cortes noted that with low interest rates globally, strategies that can provide additional yield are attractive to investors such as the firm’s global high-yield, emerging market debt and global credit offerings.

“Those I think will be of interest to a

number of different groups,” he said.

Devansh Patel, a senior managing director responsible for strategy and mergers and acquisitions for ZCM, called the deal a “natural partnership” and said the firm is looking forward to helping GIA grow.

He noted that the firm’s strategies would be a great solution for the advisory channel along with the institutional marketplace given the current rate environment.

“We want to broaden their distribution,” he said.