

## Business

# Asset Manager Vinci Sees Takeover Opportunities in Latin America

- CEO says his alternative-asset firm is bucking outflow trend
- Investors become more conservative amid global turbulence



Alessandro Horta *Source: Vinci Partners Investments*

By Cristiane Lucchesi

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Vinci Partners Investments Ltd., the Brazilian alternative-asset manager that went public in the US last year, is considering acquisitions in Latin American as hedge funds struggle with outflows.

“The industry in Brazil and Latin America is highly volatile because of global turbulence,” Vinci Chief Executive Officer Alessandro Horta said in a video interview from Rio de Janeiro. The upheaval creates opportunities for takeovers, he said.

Turmoil in US equity markets and rising interest rates worldwide are reducing investors' appetite for riskier investments in Latin America, and many are switching to more conservative Treasury bonds and fixed-income funds. After six years of inflows, hedge funds posted net outflows of 58.3 billion reais (\$12.2 billion) this year through April in Brazil, according to Anbima, the capital-markets association.

Vinci is well-positioned to take advantage of the changing market realities, according to Horta, who said the company's first-quarter assets under management rose 3% from a year earlier, to 57 billion reais. After its initial public offering, the firm still has about 1.4 billion reais in net cash to finance acquisitions and provide seed money to new funds.

"Although the industry is suffering, we have a more resilient model," Horta said. That's because Vinci's products are longer-term funds with lock-ups, "and even the more liquid ones had only tiny outflows." Horta said his firm can be patient in its search for acquisition candidates, and nothing is likely in the short term.

Some of its rivals have already pounced. Patria Investments Ltd. completed the acquisition of Chile-based Moneda Asset Management in December, creating a firm overseeing almost \$25 billion with investments including private equity, infrastructure and credit funds. Earlier this month Brazilian distressed asset manager Jive Investments announced a merger with investment firm Maua Capital.

Vinci's initial focus will be to buy companies in Brazil that offer "new strategies, new intelligence, information," Horta said, adding that he would consider partnerships but the main goal would be acquisitions that generate synergies for Vinci.

Growth will also come organically, he said, adding that the firm plans to raise about 10 billion reais over one year to invest in Brazil's private markets, including private equity, infrastructure, credit and real estate.

"Brazil is in a relatively better situation" to deal with challenges including Russia's invasion of Ukraine, China's Covid-19 lockdowns and more restrictive monetary policies, Horta said. "Being a commodity exporter in an environment of high commodity prices, Brazil has a comfortable external account surplus, and the exchange rate is showing that."