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French investment fund Tobam sets up Dublin operation

Paris-based fund managing over €8bn in assets plans to increase staff to 20 this year

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Tobam has been operating in Dublin since last July with a staff of 10, which it plans to extend to 20 by the end of 2017. Photograph: iStock

One of France's leading investment funds has established an operation in Dublin, which it plans to double in size by the end of the year.

Paris-based Tobam, the brainchild of finance guru and mathematician [Yves Choueifaty](#), a former chief executive of Credit Lyonnais's investment arm, manages more than €8 billion in assets.

It has been operating in Dublin since last July with a staff of 10, which it plans to extend to 20 by the end of 2017.

The firm chose Dublin from a shortlist of four European cities, including London, but insists the decision predates Brexit.

It said the State provided an ideal English-speaking gateway between [North America](#) and [Europe](#) and was already an established funds industry hub.

Stable business environment

The company also cited the stable business environment as a key factor in its decision, and praised the IDA in assisting the transition.

“Dublin is a major gateway to the global funds industry, is a recognised talent and technology hub, and offers a stable environment to grow our business while maintaining the highest standards of quality in the asset management industry,” Tobam Ireland’s chief executive [David Bellaiche](#) said.

Set up in 2005, the firm was originally incubated in the ill-fated [Lehman Brothers](#) but managed to spin off before the US bank spectacularly imploded in 2008.

Tobam’s founder Mr Choueifaty is heralded as one of the founders of the so-called “smart beta” movement, which uses exchange-traded funds (ETFs) and other investment strategies that use alternative index construction rules to traditional indices.

However, Mr Choueifaty is a critic of the tag “passive investment”, noting his company’s “anti-benchmark” strategy, based on an algorithm that measures diversification, runs counter to the typical capitalisation-weighted benchmark.

Replicated

“The benchmark has a property that I don’t have: it is the sum of all portfolios, and it shows what is expensive. That is still useful, but not in order to be replicated,” Mr Choueifaty said in a recent interview with the *Financial Times*.

Tobam’s expansion into [Ireland](#) is the culmination of a 10-year growth spurt. Last year, it was named European asset manager of the year by the respected *Funds Europe* magazine.

The company is 80 per cent employee-owned with Calpers, North America’s largest pension fund and French asset managing giant [Amundi](#), holding minority stakes.

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