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Pimco CEO's First Acquisition: a Muni-Bond Business

Pacific Investment Management Co. agreed to buy a municipal-bond specialist to beef up its tax-exempt investments business

Pacific Investment Management Co. agreed to buy a municipal-bond specialist, the firm's first acquisition since appointing Emmanuel Roman as chief executive.

Gurtin Municipal Bond Management oversees \$14 billion in assets for wealthy individual investors. Pimco said Tuesday it plans to add the San Diego-based firm to its dedicated muni-bond arm, the people said, giving the combined business \$38 billion in that business. Terms of the deal weren't disclosed.

Pimco oversees a total of \$1.7 trillion across all assets, making it one of the world's largest money managers.

Mr. Roman ran hedge-fund firm GLG Partners before spearheading its sale to Man Group PLC, and made a string of deals there. While his arrival at Pimco's Southern California headquarters raised expectations that the bond manager would begin to snap up rivals, Mr. Roman repeatedly has said a takeover spree was unlikely.

"As you have heard us say before, Pimco's strategy is to grow mostly organically but we will consider making small acquisitions where it fits strategically with our business strategy and vision for the firm," Mr. Roman and Pimco investment chief Dan Ivascyn wrote Tuesday in a memorandum to employees. "This is precisely the case with Gurtin."

Messrs. Roman and Ivascyn said that Gurtin's investment team will continue to manage its funds and separate accounts. The firm's founder, Bill Gurtin, plans to remain "involved in the business for several years," they wrote in the memo, which was reviewed by The Wall Street Journal.

Pimco said it expects to complete the Gurtin deal by the end of the year.

The Wall Street Journal

By Justin Baer

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