

# Quant manager completes separation from Bear Stearns

**Cardiff de Alejo Garcia**  
**in New York**

.....

The former head of systematic equities at Bear Stearns Asset Management has completed his separation from Bear of his recently launched asset management firm, and brought to his new business approximately \$9.4bn (€6bn) in assets and some members of his former team of Bear portfolio managers.

James O'Shaughnessy, now the chairman and chief executive of O'Shaughnessy Asset Management, which focuses on quantitative equity management, announced his intention to start the company at least as early as last summer.

In addition, 14 of O'Shaughnessy's 30 employees came from Bear Stearns, including five of the six members of O'Shaughnessy's management team.

Bear Stearns had agreed to the move, and last October Bear's head of asset management said that a fee-sharing arrangement with O'Shaughnessy meant the separation would not have a "major financial implication" for the investment bank.

According to an O'Shaughnessy spokeswoman, Bear has retained a 10% passive stake in O'Shaughnessy but does not have any control or oversight.

O'Shaughnessy has now completed the transfer of all its intermediary and institutional accounts, including a suite of seven mutual funds it manages on behalf of the Royal Bank of Canada, which accounts for roughly 59% of its \$9.4bn in assets.

In total, O'Shaughnessy retained about 6,200 accounts, or 95%, of its accounts in the move away from Bear Stearns.

After accounting for the \$9.4bn in

assets that O'Shaughnessy took with him, Bear Stearns Asset Management is left with approximately \$30.54bn in assets under management, including \$9.25bn in equities, as of last December.

According to a statement, O'Shaughnessy grew his book of assets under management at Bear Stearns from about \$1bn in 2001 to more than \$9bn in 2007, the fastest growth of any other Bear asset manager.

O'Shaughnessy's announcement came around the time that two Bear Stearns hedge funds collapsed last summer, casualties of the rapidly escalating credit crisis. But he reportedly said at the time that his decision to spin off had nothing to do with Bear's difficulties.

A Bear Stearns spokesperson could not immediately be reached for comment.