

## Systematic Team Spins Out of Brandes Investment Partners

The systematic investment team at Brandes Investment Partners has spun out as Metis Global Partners.

Metis Global Partners officially launched on Nov. 4 with the collaborative strategic support of Brandes, which will be a minority stakeholder in the San Diego, Calif.-based firm.

The majority women and African American-owned firm is led by President and CIO Machel Allen, who spent more than 10 years at Brandes. She said the discussions to spin out the team into its own firm began in 2011 after the systematic team launched a global micro-cap strategy.

Allen said she has spent time researching the emerging manager marketplace and believes that there is a need for global management strategies that Metis brings to the table, particularly in areas such as global micro-cap and emerging markets small-cap.

"After reviewing the landscape and coming up with the business plan, we decided it collectively was a win-win (to launch Metis)," she said.

As part of the strategic partnership, Brandes will provide Metis with full operational and trading outsourcing and Metis will continue to provide quantitative services to Brandes' research group as well as remain involved in the research engine for the Brandes Institute, the firm's thought leadership think tank group.

The exact equity stake Brandes will hold in the firm was not disclosed.

The firm currently has \$10 million in assets in the global micro-cap strategy, which it will continue to sub-advise for Brandes. Brandes is also providing a "small" amount of seed capital to get the track records started on the other five strategies, which are international small-cap, emerging markets small-cap, global large- to mid-cap, international large- to mid-cap and emerging markets large- to mid-cap.

Along with Allen, who is the majority owner of Metis, the investment team consists of Senior Analyst Nicholas Magnuson and Analyst Irina Gorokhov, who are both partners in the firm.

The team's processes revolve around taking large and deep global fundamental data sets and utilizing the information to conduct thorough long term oriented, bottom-up valuation analysis of more than 60 global industries in a systematic model.

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**Machel Allen**  
*President & CIO*  
*Metis Global Partners*

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"The fact that we deploy very active strategies systematically is simply because we understand there is a tremendous amount of behavioral bias that happens, even with the best fundamental analysts," Allen said. "We truly believe the best way to capture that long-term value premium is to do it systematically."

The process is benchmark agnostic, with maximum value as the driver of the portfolio.

"Our goal is to find 'clusters of value' within the 10 percent of the most attractive securities in the marketplace. Our portfolios are a reflection of both the value currently available as well as the number of securities in the respective opportunity set," she said, explaining that in global micro-cap, which is the largest of the universes with over 3500 stocks that screen through the firm's valuation and liquidity screens, the strategy will have a total number of positions in the high 200s.

With a unique process, strong operational support through Brandes and niche strategies to offer institutions, Allen is optimistic as the firm comes out of the gate.

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