

Brookfield takes LCM stake to almost 50%

The alternatives giant has taken up an option to double its interest in the UK-based fund manager three years into their strategic partnership.

By **Andy Thomson** - 23 August 2021

LCM Partners, the London-based European alternative credit manager, has cemented its relationship with **Brookfield Asset Management**, with the Toronto-headquartered global alternative asset manager increasing its interest in the firm to 49.9 percent.

Brookfield originally acquired a 25 percent interest in the group, which comprises LCM Partners and Link Financial, the pan-European loan servicing and management platform, in March 2018. Revealing the latest news exclusively to *Private Debt Investor*, LCM co-founder and chief executive Paul Burdell said the original agreement included an option for Brookfield to increase its stake within a five year period.

“It’s really good news for our LPs because the whole point of the strategic relationship is to help each other source and develop new opportunities,” said Burdell. “Brookfield increasing their stake is testament to how well the partnership has worked over the last three years and it doesn’t really change anything in the sense that we have always shared everything with Brookfield anyway and viewed them very much as equal partners.”

LCM’s tie-up with Brookfield pre-dated the pandemic, which saw plenty of strategic relationships involving private debt firms. The difference with some of the more recent arrangements, said Burdell, is that LCM-Brookfield was not born out of necessity. “We didn’t need liquidity and we didn’t have succession or partner issues. Rather, we thought Brookfield could help us expand the business and our LPs understood the logic.”

At the time of the original deal, Burdell said it meant “we can further develop our business, not only as one of Europe’s leading credit asset management and loan servicing firms but to become one of the pre-eminent firms globally”.

A year after the LCM partnership, Brookfield acquired a majority interest in Oaktree Capital Management, the Los Angeles-based asset manager noted for its distressed strategies.