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Cleveland wealth firm in global search for non-core funds

\$1.3bn wealth manager will initially issue each new fund \$5m-\$10m

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Marcum Wealth, a \$1.3bn Cleveland wealth manager, is hunting for real estate managers running core-plus, value-added and opportunistic vehicles.

CIO Michael McKeown, told *REFI* that the Ohio-headquartered firm will hire a fund in each strategy this year, issuing each an initial ticket of \$5m to \$10m. He added that the mandates will focus on providing portfolio diversification amid the ongoing crisis.

The former Morgan Stanley veteran leads the firm's research team, which manages asset allocation and investment manager due diligence.

McKeown created the firm's quantitative and qualitative due diligence process for analyzing investment managers across equities, fixed income and alternative strategies. He also developed Marcum Wealth's asset allocation frameworks, based on the firm's proprietary ultra-modern portfolio theory, which guides the management of client portfolios.

The firm was founded in 2006 as Aurum Wealth Management, before merging last year with Marcum Group's wealth management unit to create Marcum Wealth. The firm provides wealth management services to ultra-high-net-worth individuals across its 30 offices in the US. The firm allocates to alternatives, fixed-income, private equity, and public equity.

Real estate managers have always been a part of the firm's portfolio. Currently, it is allocated to seven real estate managers running value add, opportunistic and development vehicles across the US and globally.

"The [real estate] focus changed over time, after the legislation around Qualified Opportunity Zone (QOZ) funds passed," McKeown said. "We invested in several QOZ funds with projects across the country."

Marcum Wealth's manager selection is driven by its research and analyst teams. All hires are approved by its five-strong investment committee, which consists of the CIO and senior partners.

McKeown said the team favours managers with a minimum of \$100m in AuM and have demonstrated their ability to gain returns throughout multiple cycles.

"We will consider managers that have a verifiable track record from previous firms. Excess fees on acquisition and disposition are red flags, [meaning] that alignment of interest with investors may not be in place," McKeown added.