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Tavani's new recruit has experience in 'relationship investing'

By JACQUELINE NELSON

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Brian Gibson is bringing aboard a new recruit with experience in his not-quite-activist style of investing.

James Alder is joining Mr. Gibson's relatively new firm Tavani Relationship Investors Inc. – still in fundraising mode¹ – that straddles the lines of private equity and shareholder activism. The firm buys stakes in businesses, and then partners with management teams with the goal to improve results.

Mr. Gibson helped develop this type of "relationship investing" in Canada during his time at the Ontario Teachers' Pension Plan, after the strategy had gained traction with U.S. funds. The Teachers relationship team was behind its \$500-million (U.S.) investment in Hudson's Bay Co., which paved the way for the takeover of Saks Inc. Other investments, such as a stake in Maple Leaf Foods², also relied on this approach.

More pension funds are looking to private equity and other alternative asset classes to boost returns. Other institutional investors such as Canada Pension Plan Investment Board have introduced their own groups that use a relationship investing strategy and put it to work on deals such as the recent \$500-million stake in the Postal Savings Bank of China, with the intention to bring some new perspectives on risk management.

Tavani is Mr. Gibson's second attempt to use this style of influential investing to build a new company. After leaving Teachers in 2008, he and a partner founded Panoply Capital³ with the aim to raise \$1-billion (Canadian) and shake up a couple of handfuls of businesses. The timing was tricky – volatile markets made hitting the ambitious fundraising goal a challenge, and hedge funds weren't offering stellar performance over all.

So, later that year he joined former Teachers colleague Leo de Bever in getting Alberta Investment Management Corp. up and running. He left the pension fund in 2012.

Mr. Gibson re-emerged last summer with another plan: Tavani. The business is named for a historic Hudson's Bay Co. trading post in Nunavut. Mr. Gibson wants to raise more than \$1-billion this time, and had targeted to do so by the end of 2015. Tavani has yet to make any investments, but is targeting minority stakes in publicly traded North American companies.

Mr. Alder now joins from AIMCo, where he was a fund manager in areas including relationship investing. He previously worked at the Government of Alberta Investment Management division, which preceded the launch of AIMCo.

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