

20 SEP 2023 Jennifer Grybowski

ARK expands to Europe with Rize ETF buy

Cathie Wood's firm to embark on immediate product dev

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ARK Invest has acquired European thematic index shop Rize ETFs, which ARK CEO Cathie Wood said was in response to a long-time demand from European investors for her firm's ETF strategies.

The \$13.8bn St. Petersburg, Florida-based firm completed the acquisition on Tuesday, however no details regarding the financial terms were released.

The transaction will allow ARK to establish a European Ucits suite of its ETF strategies and the firm is planning to launch several of ARK's actively-managed strategies in European markets by the end of the year.

The \$452m Rize manages 11 Ucits within the thematic and sustainable investing realms including cybersecurity, digital payments and learning, internet and ecommerce, sustainable infra, medical cannabis and life sciences, pet care, sustainable food and more.

Through the deal, Rize will be rebranded as ARK Invest Europe and product names will be changed to reflect the ARK moniker.

Rize is a passive shop, while ARK is active, and ARK has said it will honor Rize's commitment to its existing index suite, although the teams are exploring potential overlap between and among the two existing ETF suites.

There will be no changes to ARK's current management team, and Rize employees will be integrated into the existing corporate structure.

Rize was founded in 2019 by ETF industry veterans Stuart Forbes, Rahul Bhushan, Jason Kennard and Anthony Martin. Prior to that, they built out the European Ucits ETF business for ETF Securities, which was acquired by Legal & General in 2018.

ARK's eight ETFs, together worth \$12.9bn, have all been in outflows over the past year, collectively losing \$955m.

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