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Goldstein Honored For Outstanding Contribution

Phil Goldstein, tireless campaigner and founding partner of **Bulldog Investors**, is named the winner of *A/N's* award for Outstanding Contribution to the Hedge Fund Industry.

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EX-HBK MANAGER READIES FIXED-INCOME ARB FUND

Kevin Jenks, former portfolio manager at the \$14 billion HBK Capital Management, has co-founded **Apeirogon Capital** and is preparing to launch a fixed-income arbitrage strategy, the *Apeirogon Avenger Fund*. The New York firm has not set a launch date but is marketing the fund in search of a seed investor, according to a client presentation. Calls to Jenks were referred to **Paul Schultz** of **Bear Stearns**, Apeirogon's prime broker, who did not have an immediate comment at press time.

The fund will focus on securitized assets, including asset-backed securities, mortgage-

(continued on page 20)

ZURICH FIRM PLANS GREEN PE FUND

Systematic Absolute Return SAR in Zurich is planning what it believes to be the first-ever environmentally responsible private equity fund. Not yet named, the strategy will invest in seven-to-20 biofuel and mining projects, according to **Andrew Perry**, head of business development. It is expected to launch in a few months with €100 million.

Arne Schmidt and **John Bailey** will co-manage the fund, which will make investments in Africa among other regions. The fund, for example, will invest in companies that build schools on construction sites for mining families. "Those are

(continued on page 20)

PAMPLONA PREPS CREDIT FUND, EYES FOURTH FoF



Nick Gordon Smith

Pamplona Capital Management will launch a credit opportunities fund—the London firm's third single-strategy hedge fund—in the next six months. The fund is likely to launch with a couple hundred million dollars, said **Nick Gordon Smith**, partner. Pamplona, which oversees \$3.8 billion, is also planning its fourth fund of hedge funds, which is likely to draw on the management team's experience of investing in Russia.

The credit fund will take advantage of mispricing in the credit sector,

(continued on page 20)

PAULSON, CITADEL NOMINATED FOR HEDGE FUND AWARDS

Brevan Howard Asset Management, **Citadel Investment Group**, **Odey Asset Management** and **Paulson & Co.** are the nominees for *Alternative Investment News'* Hedge Fund Leader of the Year award. They are among 35 hedge fund managers, investors and consultants nominated for the 6th Annual Hedge Fund Industry Awards. They are joined by **Phil Goldstein**, who is the recipient of a new award recognising Outstanding Contribution to the Hedge Fund Industry. Nominees will be honored and winners

(continued on page 9)



At Press Time Citadel To Grow Asia Merchant Banking Unit

Citadel Asia, the Asian arm of Ken Griffin's Citadel Investment Group, plans to expand its merchant banking division activity in all aspects of growth. An industry official close to the situation could not elaborate on this expansion but said that this will include an increase in staff and the number of deals within the division, and a greater asset pool. To spearhead this effort, David Noh will join the firm in July as senior managing director and head of the unit. Citadel will make hires to Noh's team over the next few months. The official could not provide details on these hires. Noh will join Citadel from his position as head of corporate principal investments in the Pacific Rim at Merrill Lynch. Merrill Lynch did not return calls by press time. A spokeswoman for Citadel declined to comment.

The merchant banking unit will invest in distressed and high-potential companies, feeding into Citadel's main multi-strategy fund. Citadel Asia has a staff of 60.

Baker Steel Preps Fourth Fund

The \$800 million Baker Steel Capital Managers is preparing to launch its fourth fund, the *Genus Capital Fund*, on July 1. It will invest in pre-IPO companies and special situations in the natural resources sectors, said Kristy Barr, director of marketing. Founders David Baker and Trevor Steel will co-manage the fund; Baker in the firm's Sydney office and Steel from its London base. The fund is expected to roll out with \$50 million of seed capital from existing investors, and then raise an additional \$150 million after launch, Barr said.

The Genus Capital fund will invest in pre-IPO mining companies, and Barr cited Brazilian iron ore company **Ferrous Resources** as a typical play for the new fund. Baker Steel bought into Ferrous through its other three funds at 60 cents a share. It was trading at \$2.25 on Wednesday. "Times like these, there are plenty of buying opportunities," Barr said. "We can get into these opportunities very cheaply." Despite the credit crisis, the firm is bullish on the natural resources long-term, and doesn't believe that turbulent markets will have a huge effect on these sectors. "None of these are overnight stories," she said. "[The natural resource sectors are] not driven by the United States anymore. It's very much coming from the emerging markets, like China and India." The Genus Capital fund's fees are 2/20 and the investment minimum is \$1 million with a two-year lockup. Seed investors will receive discounted fees of 1.5/10.

Baker Steel also manages the \$20 million *Genus Natural Resources Fund*, the \$300 million *Genus Dynamic Gold Fund*, and the *Genus Dynamic Mining Fund*, which has \$60 million. In 2007, the Natural Resources fund returned 56.9%, the Gold fund returned 16.1%, and the Mining fund was up 43.4%. The firm's goal is to reach \$2 billion in total assets within the next couple of years, Barr said. The remaining \$420 million is in managed accounts.

Baker and Steel co-founded the firm in 2001. Previously, they worked together at Merrill Lynch for 10 years, focusing on the natural resources sectors.

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The Americas

Kiwi-Focused Fund On Lookout For Rainmaker

La Jolla, Calif.-based **Buechler Capital Asset Management** is searching for a third-party marketing firm to help raise assets for its *Kiwi-Pacific Fund*. The New Zealand-focused hedge fund, with \$10 million, launched in the fourth quarter of 2006 and returned over 20% net of fees last year. It has a capacity of \$350 million.

The fund invests primarily in infrastructure (25%), energy and oil (30%), agriculture (10-15%), and companies that have potential for growth in correlation with these sectors (30-35%). **William Buechler**, president and cio, said there is a great deal of action in the New Zealand market. The country is currently tapping two oil fields producing 120,000 barrels a day, launched a national retirement savings plan and the largest company in the country, **Fonterra Cooperative Group**, accounts for nearly 1/3 of international dairy trade—all of which Buechler sees as growing opportunities.

Investors are family offices and high-net-worth individuals, but Buechler hopes to market the fund to institutions, saying that “this fund is particularly attractive to institutions that are looking for diversification and low correlation to the market.” Buechler is also in talks with a major New Zealand institution for which it will launch an Australasian mutual fund centered on energy and infrastructure.

Buechler, which has an office in Auckland, oversees \$210 million, the bulk of which is in managed accounts. **Macquarie Bank** is prime broker for Kiwi-Pacific. The investment minimum is \$100,000 and fees are 2/20.

IndexAtlas Preps First Arts Services Fund

IndexAtlas Group will launch its new \$50 million art industry public and private equity fund June 1. *Art Industry Fund* has raised \$25 million from high-net-worth individuals and plans to raise the second \$25 million from institutional investors by mid-May. The fund will invest exclusively in businesses serving the art industry, such as auction houses, advisory services, financial and security firms as well as software and media companies. Fund manager and founder of IndexAtlas **Sergey Skaterschikov** said he believes this is the first fund of its kind.

There are no geographic limitations, but the focus will be on New York and the U.S. Skaterschikov said one of the companies the fund will invest in is New York-based **Art Net**, a Web site where visitors can buy, sell and research art. Traded

companies like **Art Net** and **Sothebys** performed well this year, a reason for launching the new fund now. Skaterschikov, the author of *Skate's Art Investment Handbook*, will serve as investment manager and run the New York-based fund management team of five.

The firm decided to launch this fund now because it believes the art market is poised to become more business-oriented. The Cayman Island-domiciled fund will have a minimum investment of \$1 million with semi-annual redemptions. It will have a 2/20 fee structure with anticipated returns in excess of 35%. The fund is closed to U.S. investors.

Adult Entertainment Fund Acquires Porn Site

AdultVest, the Beverly Hills-based firm that focuses on investing in adult entertainment businesses, has acquired **IPorn.com** through its *Priapus Investment Fund*. The firm has hired **Mike Weiss**, founder of **StreamCast Networks** and creator of **Morpheus**, a music downloading Web site, to oversee the development of IPorn.com. He will join the firm later this month. “The plan is IPorn.com will be the number-one adult site on the market,” said **Francis Koenig**, founder of Adult Vest. “We feel this is one of the premiere brands out there in the market.”

Weiss is familiar with digital rights and copyright laws, Koenig said, adding that he knows how to build site traffic. Weiss did not return calls by press time.

Previously, IPorn.com only posted pictures and didn't offer videos, Koenig said. Going forward, he plans on adding lots of “bells and whistles” including mobile phone downloads, pre-recorded and live video, online dating and matchmaking, among other features. “There are quite a few niches out there that really haven't been integrated into the platform,” he said. He declined to specify how much they paid for the site. Eventually, the firm intends to take the Web site public.

AdultVest acquires gentlemen's clubs and internet media companies with the goal of selling them to late-stage investors. It also manages the \$100 million *Bacchus Investment Fund* and oversees \$10 million in the Priapus fund.



The Americas (cont'd)

Credit Suisse Vet To Co-Found Vol Arb Firm

Rick Selvala, ex-director in Credit Suisse's *Volaris* volatility management unit, has teamed up with **Curt Brockelman**, managing partner at hedge fund firm **Perch Bay Partners**. The duo will set up a new firm in June, according to an industry official close to the situation. The firm will model its debut fund on Perch Bay's flagship volatility arbitrage fund, *Perch Bay Partners Sigma I*, which was launched in September 2003. The official could not provide the name of the new firm. Selvala will be the ceo and chief marketing officer. Selvala and Brockelman both declined to comment, citing the terms of Selvala's gardening leave.

Perch Bay will continue to operate out of Greenwich, Conn., but an official could not elaborate on the details of its operation and would not disclose the size of the current fund. Selvala left Credit Suisse on April 4. **Suzanne Fleming**, a spokeswoman for Credit Suisse, said Selvala's position will be filled internally but declined to name any potential candidates. Selvala joined the firm in 2002 to work in the equity derivatives group. He was previously with UBS for eight years.

Hudson Bay Gets Camden Converts Pro

Roy Astrachan, former co-chief investment officer and partner at convertible arbitrage firm **Camden Asset Management**, joined **Hudson Bay Capital Management** in New York on Wednesday as a portfolio manager. He will focus on convertibles for the multi-strategy *Hudson Bay Fund*, said **John Doscas**, president. Calls to Astrachan and **Barbara Detwiler**, spokeswoman at Camden, were not returned by press time.

Astrachan spent six years at Camden, a Los Angeles hedge fund firm with over \$3 billion in assets. Other recent Hudson Bay hires include **Charlie Winkler**, former chief operating officer at **Amaranth Advisors**, who joined Hudson Bay in December in the same role (*iialternatives.com*, Jan. 9). Doscas, **Sander Gerber** and **Yoav Roth** co-founded Hudson Bay, a spin-off of proprietary trading firm **Gerber Asset Management**, in 2005.

The Hudson Bay fund invests in convertibles, equities, derivatives, credit, structured finance, risk arbitrage, event-driven and long/short equity strategies, and also makes private investments in public equity (PIPEs). It is up 3.02% this year through March 31, and returned 5.02% in 2007, according to a firm presentation. "We see terrific opportunities in convertibles and structured finance [...] due to the recent turmoil," Doscas said. The fund primarily invests in the developed markets of

North America, Western Europe, Hong Kong, Taiwan and Korea. The firm re-opened the fund in January (*iialternatives.com*, Jan. 11) after soft-closing a year before. The firm seeks to increase its assets from \$350 million to \$500-700 million. **Stephanie Reckler**, director of investor relations, is heading up the efforts and is speaking with funds of hedge funds, pensions, endowments and family offices.

Cedar Ridge Preps Auction Rate Municipal Fund

Greenwich, Conn.-based **Cedar Ridge Partners** is preparing to launch a fund targeting the auction rate municipal market. The *Cedar Ridge Short-Term Cash Strategy* will launch sometime in the next two weeks with \$25-50 million. **Jeff Hudson**, marketing director, said the strategy will take advantage of a market that has become "confused, disconnected and misinformed." Hudson explained that the auction rate market has been painted with a broad brush, but the majority of the negative news relates to auction rate preferreds, not auction rate municipals. The fund intends to invest at least 80% of assets in municipal securities whose interest is exempt from federal income tax, and to hold investments in municipal securities with maturities of less than 365 days. Hudson said it could grow to \$200-500 million. **Alan Hart**, cio and managing partner, will manage the fund.

Hudson noted that the strategy is similar to a private money market fund, with an annual management fee of 0.2% and a performance fee of 10% on returns on a monthly basis and no lockup. The minimum investment is \$500,000 and anticipated returns are 5-6% from tax-exempt municipal securities and 9-11% from taxable investments.

Conquest Develops L/S Hedge Fund Replication

Conquest Capital Group is developing a quantitative strategy to replicate returns of long/short equity hedge funds. This follows an earlier managed futures strategy that emulates commodity trading advisors. The new approach will go long and short U.S. equities, just as hedge funds do, using a systematic process and charging lower fees, said **Marc Malek**, managing partner.

Conquest's managed futures strategy has exhibited 87-90% correlation to **Barclay Hedge's** *Newedge CTA Index* on a daily and monthly basis during its four-year track record. It is transparent and charges a 1% management fee with no performance fees. It was up 10.42% for the first quarter versus 5.61% for the *Newedge* index. It was created in 2004 for an

The Americas (cont'd)

Ivy League endowment.

Additionally, the firm developed an approach combining carry trades, which tend to be short volatility, with macro trades that are long volatility, to produce a better risk/return profile. It started managing the strategy April 1 for one client.

In December, Conquest designed an agricultural commodities strategy to hedge against the risk of stagflation. It was up 8.29% for Q1, despite losses of 12.25% in March. The **Dow Jones-AIG Agriculture Sub-Index** returned 4.01% for Q1.

Separately, the firm's flagship macro strategy is up 60.07% since June without leverage and about 300% with leverage. The unlevered version returned 22.15% in Q1. It performed well by going short equity via options and futures, shorting the dollar, going long energy, precious metals and some bonds, Malek explained.

Malek is in advance talks with several prospective investors, including funds of funds, family offices, large macro hedge funds and multi-strategy shops. The firm's assets have grown by 54% since last June to \$569 million from investment returns, new inflows, and strategy launches.

Fort Washington Seeks Analysts

Cincinnati's **Fort Washington Capital Partners Group**, the private equity arm of **Fort Washington Investment Advisors**, plans to more than double the size of its analyst team with three hires over the next 12 months. **Christopher Baucom**, managing director, said the firm will make the additions due to current and expected growth. It will hire one senior analyst and two junior analysts. The firm is also in the process of hiring a tenth principal.

Fort Washington Capital grew assets under management by 14% last year and made two hires to accommodate that growth. It has two analysts at present and the new positions reflect this steady expansion; FW Capital launches one private equity fund every two years and is in the process of raising assets for its sixth fund.

For the senior analyst role, Baucom said the firm is seeking someone with extensive modeling experience in structured finance qualitative and quantitative skills and leadership experience, having possibly worked for a Wall Street firm. The junior analysts are likely to be recent graduates but with similar qualitative, quantitative and leadership skills to the senior candidates.

Baucom declined to name the new principal but said the individual will focus on co-investments and has significant experience in direct investing. The firm has \$1.4 billion under management and its private equity funds of funds average \$100-250 million in size. Fort Washington Capital is the private equity arm of Fort Washington Investment Advisors, which manages \$32.4 billion.

JD Capital Preps Vol Arb Fund

JD Capital Management, the hedge fund firm founded by **Goldman Sachs'** former head of equity derivatives, **J. David Rogers**, is preparing to launch the volatility arbitrage *Tempo Volatility Fund* on May 1. Calls to Rogers were referred to **Tim Percarpio**, head of investor relations, who confirmed the launch but declined to comment further.

Rogers formed the Greenwich, Conn., firm in August 2001 and launched its maiden hedge fund, the *Tempo Fund*, in early 2002. He spent 19 years at Goldman, starting as a trader and analyst in 1982. In 1989, he went to Japan and established the firm's derivatives business, returning to the United States in 1992 to co-head Goldman's derivatives department. He later became a managing partner, and was responsible for all of Goldman's trading and risk management operations. In 1998, Goldman selected Rogers to represent the firm when the **Federal Reserve Bank of New York** organized a group of 15 major U.S. and international banks in a successful attempt to save **Long Term Capital Management**.

BlueMountain Rolls Out Credit Strat

BlueMountain Capital Management, the New York- and London-based hedge fund firm with around \$5.2 billion in assets, is preparing to launch the *Global Value Fund* later this month or in early May. **Alan Gerstein**, **Jason Carley** and **David McHugh** will manage the credit and special situations long-biased strategy. Calls to the trio were referred to **Justin Perras**, spokesman for the firm, who declined to comment.

Before joining BlueMountain in 2004, Gerstein was v.p. and head of the U.S. investment grade credit derivatives trading team at **Goldman Sachs** in New York, and before that, he was a v.p. of interest rate derivatives marketing at **JPMorgan**. Previously, Carley was a managing director and head of European corporate credit research at **Merrill Lynch** in London, and before that, he ran the Asian credit research team in Hong Kong. McHugh was a senior portfolio manager at **Deutsche Bank**, and co-head within the special situations group, also in London.

Andrew Feldstein, **Stephen Siderow** and **Géry Sampéré** founded BlueMountain in 2003. Previously they were at **JPMorgan**, **McKinsey & Company** and **Credit Suisse First Boston**, respectively. The firm also manages several collateralized debt obligations funds and long/short credit strategies (*ialternatives.com*, Oct. 19). In October, it launched the *Correlation Relative Value II* fund managed by **Bryce Markus**.

Europe

Panasonic's U.K. Fund Eyes Maiden Alts Foray

The approximately £100 million U.K. pension fund for **Panasonic Mobile Communications Development** is considering a first investment in alternatives. The scheme is currently conducting an investment review with the help of consultant **Lane Clark & Peacock** that should be completed in the next few weeks. An official at the fund in Bracknell said the move is to diversify the scheme's portfolio.

Panasonic has just hired **HR Trustees** as its professional trustee. Director **Mark Fletcher** will represent the scheme. The fund official said the appointment was made to help the scheme with investment decisions. Fletcher did not return calls by press time.

HR Trustees and the scheme's resident trustee board will make a decision on the size and which alternative asset classes to invest in as soon as the review is completed, the official said. Once the scheme's trustees decide, it will likely reduce its equity investments to fund the move, the official added. She referred further questions to **Annette Fletcher**, chairman to the trustees and HR director at the scheme, but she was out of the office and could not be reached by press time.

The fund currently invests 70% of its assets in equity and 30% in fixed income through a balanced portfolio with **Legal & General Investment Management**.

Gargour Takes In Long-Only Assets



Louis Gargour

LNG Capital, the London hedge fund boutique run by **RAB Capital's** former director of fixed-income, **Louis Gargour**, is accepting long-only money for the first time as a way to stabilise assets under management in periods of market turbulence. The firm has just been awarded a \$50 million long-only bond fund mandate by one of the largest

stockbrokers in Britain, Gargour told *AIN*, declining to name the client. Other investors are performing due diligence on LNG with a view to allocating long-only money, he said.

Long-only investors tend to have a longer investment horizon of 10-20 years, said Gargour. The money is deemed to be more stable and should allow the firm to maintain assets under management in a period of volatility when hedge funds are facing redemptions, he explained. The firm is also considering making its European special situations hedge fund available to retail investors by registering it under the *UCITS III* directive.

The firm is seeking to nearly double its six-strong team with

five new hires over the course of 2008, in anticipation of further growth. LNG will add two analysts, two back office hires and an administration role. The \$15 million *LNG Special Situations Fund* employs five strategies: stressed, distressed, private investments, event-driven credit and capital structure arbitrage. It was up 3.71% in February.

Oxfordshire Mulls Hedge Fund Increase

Oxfordshire County Council Pension Fund, with assets worth £1 billion, is considering increasing its hedge funds investments. According to the minutes of a trustee meeting held last month, the change follows the completion of an investment review and issuance of a business plan for 2008/2009. The council is reviewing hedge funds and will make a decision based on how the asset class has performed during the recent market turmoil and whether absolute returns are being achieved. This review will be completed at the end of August. **Daniel Reeves**, assistant pension fund accountant, referred questions to **Tony Wheeler**, pension fund investment manager in Oxford, who did not return calls or emails. The exact size of the council's hedge fund allocation could not be determined. It invests a total of 15% in alternatives, including private equity, hedge funds, commodities and other investments.

London Shop Mulls Energy Fund With PE Exposure

Tri Investments is considering launching an energy fund with private equity exposure later in the year to take advantage of the increasing opportunities in the energy space. The long-only fund will invest across the energy sector, holding both quoted stocks and private equity stakes, CEO **Chris Finch** told *AIN*. He declined to give more details on the strategy.

The fund will be domiciled in the U.K., reflecting the £70 million firm's aim "to bring specialist products to the mass market in an onshore, regulated form," said Finch. Tri has three real estate funds, including the *TRI Investors Asian Real Estate Fund*—a venture with South Korean firm **Doran Capital Partners**—which opened for investment on April 1. The standard share class, with an investment minimum of £500, is targeted at retail investors, said Finch. There is also an institutional share class with a £2 million investment minimum.

Finch formed Tri in December 2004. Previously he was head of pensions product development at **HSBC**.

Europe (cont'd)

Stenham Lines Up Swiss Franc Class For Fund Of Funds



Harry Wulfsohn

Stenham Asset Management, with \$6.5 billion under management, will add a Swiss franc tranche to its multi-strategy fund of hedge funds in the next three months. The move is to allow investors to further hedge their currency risk, said **Harry Wulfsohn**, head of institutional business development at the London firm.

A Japanese yen share class has just been added to the existing U.S. dollar, Euro and sterling tranches of the *Stenham Multi-Strategy Fund*. The firm has started to target Japanese investors via institutional consultants, said Wulfsohn. Stenham aims to grow the \$2.5 billion it manages via funds of hedge funds by 25% over 2008, he continued. The U.S. dollar share class of the multi-strategy fund returned 10.8% in 2007.

Swiss Manager Launches Single-Fee FoFs

Wegelin Asset Management has just launched a multi-strategy fund of hedge funds that charges its clients only one layer of fees. **Jürg Rauber**, asset management director at the firm in Bohl, said the fund invests solely in the firm's own single-manager hedge funds, and charges the usual commission of 1% management and 20% performance overall but no other fees for the various sub-funds. He said in Switzerland there are several pension schemes that are not allowed to invest in single hedge funds, so a multi-strategy fund of funds makes sense. Having one with a one-fee structure is an advantage, being more efficient and less expensive for clients, he added.

The fund is diversified across several investment strategies, including currency, market neutral, equity, long/short, alternative alpha and trend selection. Wegelin already runs a multi-strategy fund of funds that invests into external funds, but the double layer structure applies, Rauber explained.

Magne Orgland, head of asset management, will oversee the fund and the team of portfolio managers in charge of each sub-fund. The minimum investment for the Guernsey-registered fund is €10,000 or CHF10,000. Rauber said there is no growth target for the strategy. It will target small to medium pension schemes as a portfolio diversification tool.

Wegelin, the asset management arm of **Wegelin & Co.**

Private Bankers, manages assets worth approximately \$20 billion.

Armajaro Soft Closes Commodity Fund

Armajaro Asset Management soft closed one of its commodity hedge funds on April 1. The fund reopened on Feb. 1 to accept another \$250 million, reflecting new capacity in the commodity markets (*ialternatives.com*, Jan. 9). **Neil Heywood**, director of marketing at the London firm, was unable to say whether or not the *Armajaro Commodities Fund* will reopen in the future. The fund invests across all major commodity sectors. It has assets in excess of \$1 billion and has appreciated by over 105% since its launch in April 2004.

The firm's other commodity offering, the *CC+ Fund*, was soft-closed in November. Armajaro's third hedge fund, the European equity market-neutral *Coolum Fund*, is open for investment. Heywood declined to quantify its assets.

Mulvaney Hit By Commodities Slowdown

Mulvaney Capital Management's systematic financial and commodity futures program was down 7.96% in March, the fund's first negative monthly return since November. It comes straight after a 28.86% return in February—the fund's highest since its May 1999 inception. Mulvaney fell victim to a weakening U.S. economy and global growth concerns, which prompted a broad-based correction in commodities. The most impacted sectors were agricultural commodities and metals, according to an investor letter.

Colin Lloyd, head of investor relations at the London firm, said this is a fairly normal correction, and is not a cause for concern. The *Global Markets Fund* is still up 44.28% this year, he noted. The fund made modest gains in the financials sector, which did not see a lot of activity, and also made money by shorting livestock. But these gains were not enough to offset the losses elsewhere, he said.

Mulvaney's performance compares unfavourably to the *Barclay CTO50 Index*, a composition of the 50 largest managed futures programs, which was only down 10 basis points in March. Lloyd declined to comment on Mulvaney's performance in April. Assets under management have decreased to \$114 million, down from \$127 million at the end of February.

6th Annual Hedge Fund Industry Awards

HEDGE FUND AWARDS

(continued from page 1)



Michael Steinhardt

revealed at a dinner at New York's Cipriani Wall Street on June 25, attended by Lifetime Achievement Award recipient **Michael Steinhardt**.

The shortlisted firms and investors were chosen by the editorial staff of *AIN*, based on its own research and input from the hedge fund community at large. Categories

include Hedge Fund Leader, Fund of Hedge Funds Leader, Emerging Manager, Hedge Fund Launch, Institutional Manager, Corporate Pension Fund Investor, Public Pension Fund Investor, Nonprofit Investor and Hedge Fund Consultant.

An advisory board helped determine categories and recommended nominees. Winners will be selected by the staff of *AIN*. To comment, email Managing Editor **Robert Murray** at rmurray@euromoneyplc.com. For tickets to, or information about the gala dinner, please contact **Tracey Redmond** at 212-224-3239 or tredmond@iievents.com.

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Hedge Fund Leader of The Year

Brevan Howard Asset Management

BREVAN HOWARD

Assets managed by Alan Howard's

London firm nearly doubled last year to \$21 billion, an impressive feat considering the nervousness market conditions have stirred up among investors recently. The firm's success continues to centre on its \$17 billion flagship *Brevan Howard Master Fund*, which returned 25% in 2007 and is up 14.2% this year to the end of March.

In what remains a relatively unusual move, the firm launched a London-listed feeder linked to the Master Fund last year, giving retail investors access to its impressive performance. Investors in the *BH Macro* feeder fund have enjoyed 37% returns since its inception in March 2007.

Citadel Investment Group



Ken Griffin

In the last year the Chicago hedge fund giant has launched two businesses, **Citadel Asset Management**, a fund of funds firm, and **Citadel Solutions**, a hedge fund administrator. Branching out into administration was an innovative move that has grown to handle some \$30 billion. And CAM's initial \$500 million kitty has grown five-fold since inception.

Ken Griffin's firm ended 2007 with \$20 billion under management, up from \$13 billion the previous year. Citadel also recently hired **Patrick Edsparr**, ceo Europe, an ex-JP

Morgan Chase executive known for his work in Morgan's global proprietary trading unit, and arbitrage guru **Kaveh Alamouti**, from **Moore Capital**.

Odey Asset Management



Crispin Odey

The past 12 months have seen the \$4.6 billion London shop balance the expansion of its fund range with maintaining solid performance in a rocky market. Its flagship *Odey European Inc.* returned almost 55% in 2007. And the firm unveiled its first hedge fund to depart from **Crispin Odey's** well-documented fundamental approach to investing, the *Odey Tactical Advantage* active trading fund. It also rolled out an Asia ex-Japan long/short fund and made its first push for assets for the one-year-old macro fund, *Odey Capital Strategies*.

Paulson & Co.



John Paulson

John Paulson's spectacular performance, thanks to shorting subprime mortgage bonds, was much talked about in a difficult year for hedge funds, and makes his firm an obvious nominee for Hedge Fund Leader of the Year. The *Paulson Credit Opportunities Fund* was up a staggering 590% in 2007; a second version of the strategy was up 350%. This performance, and the buzz it created, helped assets quadruple last year to \$28 billion.

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Fund of Hedge Funds Leader of The Year

Caliburn Capital Partners



Jeremy Rowlands

Caliburn has more than quadrupled assets since early 2007, to \$1.2 billion. The London- and Geneva-based firm was also busy launching three new funds: a Greater China fund in April, an energy fund in May and a global inefficiencies fund in July. Its flagship *Caliburn Strategic Fund* returned 21.5% last year. The firm, which is part-

owned by Japanese bank **Mizuho International**, is still a relatively new player in the fund of funds space. It was founded in mid-2006 by **Jeremy Rowlands**, **Chris Bouckley**, **Mike Ketley**, **Tony Morrongiello** and **Sam Berwick**.

Gottex Fund Management



Joachim Gottschalk

Joachim Gottschalk's firm more than doubled assets last year to \$16 billion. Gottex originally focused on market-neutral strategies, but has diversified its business in recent years. In 2007 it made a big push into portable alpha, with an index-tracking platform that brought in close to \$1 billion. The firm recently rolled

out the *Gottex Real Asset Fund*, a hybrid fund combining elements of hedge funds and private equity. It has also become a leader in asset-based lending and now manages over \$3 billion in ABL strategies.

Harcourt Investment Consulting



Peter Fanconi

Led by CEO **Peter Fanconi**, Harcourt launched one of the first SRI-focused funds of hedge funds—the *Belair Sustainable Alternatives SRI Fund*—in November, and was also the first hedge fund firm to agree to the *United Nation's Principle of Responsible Investments Initiative*. In a year when many funds of funds struggled to preserve capital, Harcourt's 16 funds were in the black in 2007. Assets hit \$5.5 billion last year, a 22% increase from the end of 2006.

Investcorp



Christopher Acito

Led by **Christopher Acito**, Investcorp's innovative seeding platform grew to around \$1.7 billion from under \$500 million at the start of 2007. The firm doubled the number of funds on its platform to six by teaming up with big names; it launched an Asia long/short strategy with **Mehmet Dalman's** **WMG Limited**, seeded **Goldman Sachs** veteran **Max**

Trautman's Stoneworks Asset Management and, in a particularly timely move, invested in credit pro **Ed Banks'** distressed fund at **Washington Corner Capital**. Client assets grew 28% to \$7.2 billion in 2007, and the firm's flagship fund of funds returned 16.5%—impressive for a diversified multi-strategy fund last year. Investcorp is no stranger to *AIN's* awards, having won in this category in 2006.

Emerging Manager of The Year

Algebris Investments



Davide Serra

Davide Serra and **Eric Halet's** London firm raised commitments of \$1.1 billion before the October 2006 launch of its global financials fund—touted as the largest launch in history for a sector hedge fund. *Algebris Global Financials* has since more than doubled to \$2.6 billion.

The fund's performance has lived up to the hype, returning 53% last year. The firm is backed by **Christopher Hohn's** **The Children's Investment Fund Management**,



Eric Halet

which has a stake in the business. Perhaps reflecting Hohn's involvement, Algebris has recently become involved in shareholder activism.

Angler Capital

While most hedge funds invested in the U.S. got walloped last year, *Angler Capital Partners*, the long/short fund that invests primarily in the U.S., returned 50.7% without shorting subprime. Launched in July 2006, the strategy takes a private equity approach and targets companies with a market cap of \$2 billion or less. Unlike many of his counterparts, founder



Rich Keller

6th Annual Hedge Fund Industry Awards

Rich Keller avoids the hubbub surrounding the markets and does his research the old fashioned way—by reading dozens of trade publications on a variety of industries. He says his Greenwich, Conn., office is as quiet as a library.

Reech Alternative Investment Management



Christophe Reech

Christophe Reech's London shop launched the *Iceberg Alternative Real Estate Fund*, heralded as the first European commercial real estate hedge fund. It has delivered 24.04% since inception in May and grown to \$160 million from \$25 million. Reech was also busy in other asset classes, launching *Equitech*—a European equity market neutral fund—in July, and tapping a credit team from Paris firm ADI

Alternatives in March in anticipation of a fund launch later this year. Reflecting this growth, the firm's headcount more than doubled to 28 in 2007.

Vision Capital Advisors

Founded by **Adam Benowitz**, New York's **Vision** has not had a down month since launching in 2005 and has grown to nearly \$700 million from \$1 million at inception. This is particularly impressive considering the choppy waters faced by hedge funds over the past two years, both in terms of asset-gathering and performance. The firm returned 39% in 2007 with its *Vision Opportunity Capital Partners Fund* and in November launched a London-listed, China-only fund with \$100 million. Since its launch, **Vision** has more than quadrupled its initial headcount of seven.

Hedge Fund Launch of The Year

AdultVest



Francis Koenig

It was only a matter of time before an open-minded investor set his sights on the billions of dollars spent on adult entertainment in North America every year. **Francis Koenig** did just this last year by launching the *Bacchus Investment Fund* and the *Priapus Investment Fund*, strategies that invest in gentlemen's clubs and companies that acquire them in the U.S. and Canada. Transactions can be as high as \$1 billion, Koenig said. Another feature that will appeal to investors: the firm does not take its performance fee until 100% of the capital is returned to its clients. Despite the risqué sector focus, there is clearly room for such a strategy: "Their opportunities sound good and the concept is extremely differentiated, underserved and original," one industry observer told *AIN*. **AdultVest** added nine professionals last year as it continues to grow and exploit an untapped market.

Arrowgrass Capital Partners

When **Nick Niell**, ex-head of global convertible bonds at **Deutsche Bank**, decided to leave the bank to set up his own shop, he didn't have in mind the average three-man hedge fund start-up. Despite uncertainty in the markets, Niell managed to lure away the 39-strong team from his **Deutsche Bank** proprietary trading unit. With them, **Arrowgrass** launched the global multi-strategy *Arrowgrass Master Fund* in early March and, while launch assets were not disclosed, it is likely to be one of the biggest start-ups of the year; the firm expects to manage \$1 billion by May. While **Arrowgrass** is a standalone firm, Niell

has clearly remained on good terms with **Deutsche Bank**, which has invested with the start-up via a managed account.

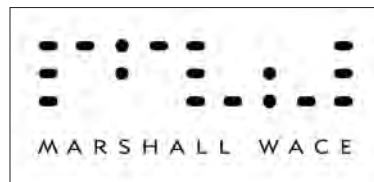
Diamond Lake Investment Group



Dow Kim

Former **Merrill Lynch** co-head of trading and investment banking **Dow Kim** made big news when he announced plans to launch a fund with roughly \$6 billion. Kim formed the firm in January and *Diamond Lake Partners*, a multi-strategy fund, will reportedly launch next month. Although assets are likely to be less than originally expected, the fund is expected to easily exceed the billion-dollar mark at launch. Investors are still buzzing about the fund, perhaps one of the most anticipated launches ever.

Marshall Wace



Paul Marshall, **Ian Wace** and **Duncan Ford's** \$15 billion London firm hit the headlines with one of the largest launches of the year, raising \$3 billion for a market-neutral strategy while market turmoil hampered most other firms' fundraising efforts. The *MW TOPS (Market Neutral)* fund debuted in November and uses the firm's ever-expanding proprietary database to screen the investment ideas of banks, brokers and research boutiques worldwide. The strategy ran internally from October 2006 to November 2007 and returned 20.77% gross.

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Institutional Manager of The Year

Blackstone Alternative Asset Management

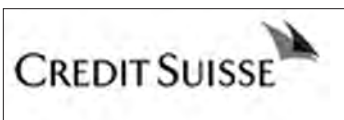


J Tomilson Hill

Led by J. Tomilson Hill, the hedge fund arm of \$100 billion The Blackstone Group has nearly doubled assets under management to \$29 billion in just over a year. The firm raised commitments of over \$1 billion for a fund of funds, the *Blackstone Strategic Alliance Fund*, which is designed to seed new funds by established high-performing managers. It also

launched its *Value Recovery Fund* in January with commitments of over \$500 million, which will take advantage of disruption in the residential mortgage market. Blackstone approaches product development by reverse-engineering its funds; the firm assesses investor needs and tailors its funds to meet those needs.

Credit Suisse Asset Management



The firm strengthened its position as one of the leaders in the realm of hedge fund indices, tapping into investor interest in

emerging markets with the *LEA Index*, and launching the first daily-liquid hedge fund index for Australian investors. CSAM staged a coup last year when it lured high-profile manager **Raphael Kassin** from **ABN Amro Asset Management** to head up its emerging markets fixed-income business; he is on the cusp of launching an emerging markets hedge fund for the firm. CSAM, which manages over \$120 billion in alternatives, has also embarked on timely collaborations in the past couple of months: it teamed with start-up **Capital Four Management** to launch a credit fund designed to exploit recent market turmoil and, via its **HOLT Investment Partners** unit, joined forces with **Sloane Robinson** to develop a range of long/short funds.

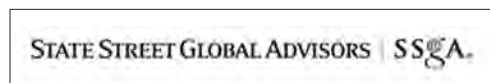
JPMorgan



JP Morgan Asset Management was ranked largest hedge fund firm in the world last summer by *Alpha*

Magazine and held onto the top spot despite market turbulence in the second half—it managed over \$44.7 billion in hedge fund assets at the end of 2007. JPMorgan was known to be seeking a route into prime brokerage, and got its chance when it swooped on the beleaguered **Bear Stearns**, agreeing to buy the bank for \$10 a share. The move has effectively rescued Bear's brokerage and reassured hedge fund managers—a portfolio manager at an event-driven shop told *AIN* that, since JPMorgan stepped in, Bear Stearns is “probably the least risky prime brokerage firm.”

State Street Global Advisors



While many hedge funds piled into emerging

markets last year in search of high returns, State Street's fund of funds arm, **SSARIS Advisors**, believed these markets to be overcrowded and avoided them. “It's very difficult to be hedged long/short in the emerging markets,” observed **Robert Covino**, senior v.p. at the firm. Its long-term view has paid off so far this year, as many emerging markets—notably China and India—have taken a tumble. The *SSARIS Multi Manager Absolute Return* fund of funds posted a respectable 20.64% in 2007 and is up 1.37% this year through February. The firm's other two funds of funds—the *SSARIS Multi Manager Relative Value Strategy* and the *SSARIS Multi Manager Global Long/Short Equity Strategy*—were up 26.1% and 16.35% last year, respectively.

Public Pension Fund Investor of The Year

Alaska Permanent Fund Corporation

If there isn't a hedge fund product already on the market that suits its needs, Alaska Permanent will have one custom-made. Last February, the \$39 billion fund commissioned fund of funds manager **Crestline Investors** to create an exclusive distressed fund of funds model. The scheme now has 1.25% of its overall 5.4% hedge fund investments allocated to the new offering, which has showed positive returns. Says CIO **Rick Schafer**: “There'd been a great deal of distressed paper, which has a high default value. We looked at our program and

decided we ought to have something that in bad times plays offense when everyone else plays defense.”

Louisiana State Employees Retirement System

Over the past year, **LASERS**—an early adopter of hedge fund investing—has continued adding funds of funds, direct fund investments and multi-strategy managers to its mix as others have suffered paralysis from wobbly returns and headline risk. And it is discussing further hedge fund allocations for the coming months. Under the guidance of CIO **Bobby Beale**, the

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fund increased its hedge fund stake to 8% from 5% over the past year by allocating to strategies managed by **GAM**, **Bridgewater** and **Stark Investments**.

Teacher Retirement System Of Texas

TRS has made some bold moves into the hedge fund space within the last 12-15 months. Under CIO **Britton Harris**, the \$107 billion fund has expanded its hedge fund-dedicated staff to eight individuals from two, while doubling hedge fund investments to \$4 billion. "We've assigned hedge funds a clear role in the TRS portfolio as part of the stable value segment, and we're working with outside parties to build systems that will centralize our due diligence, both pre-as well as post-investment," said an official at the fund.

Universities Superannuation Scheme

Driven by diversification, this £29 billion scheme is making big moves into alternatives with a particular emphasis on hedge funds. "We had an 85% investment in quoted equity markets and decided to shift to hedge fund managers who can earn alpha over and above the beta of the market return," said CIO **Peter Moon**. In 2007, the fund introduced a new hedge fund program called the "Core-Satellite" system. This technique, which marries a core of transparent, liquid, low-cost hedge fund exposure to a number of single-manager hedge funds, was tailored to USS's risk and return preferences. Though the scheme tested out the approach by allocating a cautious 3%, it has already initiated plans to double that amount by the time 2008 is through.

Corporate Pension Fund Investor of The Year

Eli Lilly

With about 20% in hedge funds, Eli Lilly earned its nomination for ramping up due diligence efforts based on a liabilities study designed to make sure its healthy hedge fund stake doesn't create any unhealthy surprises. "We're now more focused on choosing managers based on a risk-management perspective," notes **Susan Ridlen**, assistant treasurer. The study, commissioned in early 2007, is aimed at managing interest rate activity when possible. "When you're buying a market neutral hedge fund, if your managers are doing the right thing, you're basically buying alpha; you're not buying the beta, because you believe that the hedge fund or the fund of funds manager truly has the opportunity to hedge risk away. It's all about managing from a surplus perspective, the assets and the liabilities of the portfolio."

International Paper



Robert Hunkeler

International Paper wins a nomination nod for virtually doubling its hedge fund exposure in its \$8.5 billion fund via investments in funds of funds and multi-strategy managers over the last year and a half. The driving reason behind the move was to beef up the pension's exposure to portable alpha investments, according to

Robert Hunkeler, v.p. of investments, who believes hedge fund exposure is the easiest way to achieve this.

"Our asset allocation study from many years ago indicated that a higher allocation would be better than what we started

with, and we had success with the program initially, so it made sense. We've had strong numbers as a result."

ITT Corporation



Don Foley

With a hedge fund allocation north of 35% of its \$5 billion fund, ITT has the resources to get creative with its managers and investment focus. Managed by **Don Foley**, senior v.p., and Assistant Treasurer **Theodore Economou**, the fund has a particular attraction to commodity-sector fund managers, citing increasing demand. Over

this past year, ITT augmented its commodities exposure with the addition of **NCH Capital's Agri-Business Fund**, which targets corn and other farm products in Russia and Ukraine. "There are lots of individual farmers in these areas who can't capitalize on their assets. Using economy of scale and technology, we can exploit these opportunities," Economou said.

Railways Pension Trustee Company

In the past two years, Railways Pension Trustee Company has made good on its 2005 declaration to embark into the world of hedge fund investing. Once some regulatory issues were settled, **Railpen Investments**, its investment arm, throttled up and moved 4% of its £18 billion into the asset class between 2006 and 2007. And under the guidance of CEO **Chris Hitchen**, the fund aims to double its hedge fund exposure by the end of 2008—possibly hitting as high as 10%.

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Nonprofit Investor of The Year

J. Paul Getty Trust

Maintaining flexibility is the name of the game for **J. Paul Getty Trust's** \$6.3 billion portfolio. And when dedicated manager **Steve Algert** deemed the embedded equity exposure of the trust's hedge fund mix to be too high, he wasn't afraid to reduce—and in some cases eliminate—Getty's allocation to many of its long-biased equity managers. "It's necessary to limit the broad equity exposure in order to dampen volatility," Algert notes. And in keeping with the fund's overall 20% hedge fund allocation mandate, Algert has shifted focus towards relative-value and event-driven managers, adding five new names to the mix over the past year.

Lehigh University



Peter Gilbert

Lehigh has embarked on an aggressive campaign to upgrade its hedge fund investment program under new CIO **Peter Gilbert**, who was brought in from Pennsylvania's state employees fund eight months ago. Lehigh's \$1 billion endowment recently made a maiden foray into direct investments by hiring its first

long-biased manager. Previous to this move, the endowment's hedge fund exposure was achieved through funds of funds—primarily absolute return strategies. "The direct manager approach gives us more control of our exposures in different areas so we can develop a more specific allocation," Gilbert noted. Lehigh has the added benefit of Gilbert's role with The Investors Committee, a group under the domain of the President's Working Group, which suggests guidelines for hedge fund investors. "There's a need for this, especially among institutional

investors. Recently, the credit crisis has taken a lot of attention from this area, so this group will refocus standards for investors seeking hedge fund exposure."

Texas Christian University



Jim Hille

When CIO **Jim Hille** met with managers he describes as "ultra-bear" last year, he paid heed to their warnings of a market downturn and took action by boosting the endowment's hedge fund allocation to 23% from 17%. The move proved smart, and has paid off handsomely for the \$1.2 billion fund. "In particular, [York Capital

Management's] *York Select* has done well for us, with 28% returns in 2007," Hille noted. "In general, stocks have gone down in the last six months, while our hedge fund portions of the portfolio held up well."

Wooster College



Stewart Massey

With 60% of its \$130 million invested in long/short equity managers, Wooster serves as an example for other small funds seeking to get into hedge fund investing and not risk losing their shirt. According to **Stewart Massey**, who chaired the endowment for 15 years and still advises the fund since leaving it to start his own consulting firm,

Wooster is comfortable with such a sizable stake because it avoids overleveraged strategies. Of the three funds it added over the past year, there was little or no use of leverage. "Leverage is the cauldron of capital destruction," said Massey. "Any small mistakes are amplified, so when the wheels fly off, you get hurt."

Hedge Fund Consultant of The Year

John Claisse, Albourne America



John Claisse

Albourne is not just a generalist consultant, but a dedicated hedge fund specialist. This makes Claisse, partner and co-head of the hedge fund advisory service, a specialist among specialists. He has a hand in advising some of the firm's largest, most sophisticated U.S. clients, including

the Teacher Retirement System of Texas, which has roughly doubled its hedge fund stake in the past 12-15 months, **San Diego Employees Retirement System**, and the **University of California**, which has announced a maiden hedge fund foray. These are but three of the firm's 130 clients, which account for \$180 billion in hedge fund investments representing roughly 10% of assets invested in hedge funds worldwide.

6th Annual Hedge Fund Industry Awards

Jaeson Dubrovay, NEPC

As its top hedge fund consultant with roughly two decades of experience, Dubrovay was part of an Alternative Investments Group that placed the lion's share of institutional assets over the past few years. With a focus on research, his advice has guided nearly all of NEPC's hedge fund-investing clients, including the police and fire and city employee funds of San Jose, Calif., which are weighing stakes in the asset class. And his research was instrumental in securing the role as advisor to Connecticut's state retirement fund. With a background in advising clients on hedge fund strategies, manager due diligence and portfolio construction as a founder of **Hanseatic Capital Advisors**, Dubrovay is able to advise NEPC's clients on direct hedge fund, funds of funds and absolute return strategies. The firm's clients boast more than \$15 billion in hedge funds.

Stephen Nesbitt, Cliffwater LLC

Nesbitt leads the charge on Cliffwater's hedge fund advisory services, where he's considered the guru of the group. He advises such big-name clients as the **New Jersey Division of Investment**, which has been undergoing a massive restructuring and modernization that has seen it make its first direct investments with hedge fund managers. When he founded the firm in 2004, he brought with him a keen understanding of alternative investment strategies, having led the consulting division of **Wilshire Associates** for the 14 years prior. There he devised a quantitative computer model for plan sponsors and built a robust asset management business using a manager of managers approach. "Steve has led our hedge fund effort and research capabilities from the ground up. There's no one more deserving of recognition than him," noted an associate.

Outstanding Contribution to the Hedge Fund Industry

Goldstein Honored For Industry Contributions



Phil Goldstein

Viewed as a maverick for taking on the **Securities and Exchange Commission**, **Phil Goldstein**, founding partner of **Bulldog Investors**, is the recipient of *Alternative Investment News'* inaugural Outstanding Contribution to the Industry Award.

Goldstein will be honored at the *6th Annual Hedge Fund Industry Awards*, held on June 25, in New York. This award recognizes individuals whose work has benefited the hedge fund industry.

Goldstein made headlines two years ago when he successfully sued the SEC, overturning a 2004 rule that required hedge fund managers to register as investment advisers. Goldstein argued that the rule, which aimed to regulate the \$1.2 trillion hedge fund industry, selectively exempted those managers with 15 or fewer clients while unfairly subjecting all other managers to the registration mandate. The Appeals Court for the District of Columbia agreed that the statute was arbitrary in nature, and tossed the law out.

"All hedge funds, by law, are exempt; not just some of them. The SEC can't just change the law as it sees fit," Goldstein argued. "Only Congress can amend laws. The SEC's function is to enforce laws, not make them."

Goldstein will probably have to brace himself for a new wave of publicity, as he prepares to fight another public battle, this time with **William Galvin**, Massachusetts' Secretary of the Commonwealth. As the state's principal public information

officer, Galvin brought suit against Bulldog and Goldstein for allegedly failing to restrict prospective investors from accessing general advertising and offering content on their Web site.

Although Goldstein says his colleagues in the industry shared in his opposition to the law, fighting the good fight was a lone pursuit, primarily because most thought it futile to do battle with such a large bureaucracy.

"It's a sad commentary on the system that people should feel intimidated to stand up for what's right. But people stood in silence, so I had to step up," says Goldstein, adding, "It's nice to get recognized by this award after the fact, but I'd much prefer to have had the support and some contribution to our legal fees."

Although Goldstein's high-profile legal pursuits have brought him exposure, he says he'd much rather be recognized for his firm's excellent track record. "We've been doing this for 15 years. We've got a 15% annualized return and no down years. People forget about that." —*Andrew Bloomenthal*

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Present the

6th Annual

HEDGE FUND INDUSTRY Awards

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The 6th Annual Hedge Fund Industry Awards recognize the hedge funds, fund of funds, endowments, foundations, and corporate and public pension funds that have stood out for their notable accomplishments during the past year. This year's nominees will be announced in the April 21st, issue of *Alternative Investment News*. Join more than 400 industry leaders on June 25, 2008 as we honor and award this year's nominees at a gala dinner and awards ceremony at the majestic Cipriani Wall Street in New York City!

☞ Lifetime Achievement Award Recipient ☞



Michael Steinhardt, one of the hedge fund industry's iconic pioneers, is the recipient of Alternative Investment News' 2008 Lifetime Achievement Award!

☞ 2008 Award Categories ☞

- ☞ Hedge Fund Launch of the Year
- ☞ Hedge Fund Leader of the Year
- ☞ Public Pension Fund Investor of the Year
- ☞ Nonprofit Investor of the Year
- ☞ Emerging Manager of the Year
- ☞ Fund of Funds Leader of the Year
- ☞ Corporate Pension Fund Investor of the Year
- ☞ Institutional Manager of the Year

<http://www.iialternatives.com/ain/2008awards/>

For information on attending or sponsoring the awards dinner, please contact: Tracey Redmond, Awards Director, at 212-224-3239, tredmond@iievents.com. To suggest a nominee in one or more of the above categories, please contact Rob Murray at RMurray@euromoneyplc.com.



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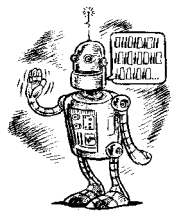
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PERFORMANCE SNAPSHOT: GLOBAL MACRO HEDGE FUNDS

The table below displays some of last year's top Global Macro Hedge Funds, according to data provided by Eurekahedge.



Fund	Manager	Region	March '08 Return	2008 YTD return	2007 return	Annualised Std Deviation	Sharpe Ratio	AuM (US\$ Mln)
Global Macro								
Crescat Global Macro Fund	Crescat Portfolio Management	Global	0.30	26.09	77.71	25.48	2.31	11
Pivot Global Value Fund	Pivot Capital Management (UK)	Global	7.41	23.10	48.47	10.16	1.54	459
Vegasoul Fund	Vegasoul Capital Management	Global	-4.10	22.68	38.35	17.80	3.17	76
The Black Marlin Fund	Shell Cove Capital Management	Global	3.86	19.37	-3.49	22.74	0.44	11
Clarium	Clarium Capital Management	Global	-9.90	15.11	40.38	23.83	1.32	3838
Balestra Capital Partners	Balestra Capital	Global	-1.42	14.87	199.15	40.97	0.70	580
G4 Fund SPC - Class Multi-Strategy	Claritas Investimentos e Participações Ltda	Latin America	1.78	13.15	2.12	17.04	0.91	96
Cima Aconcagua Fund	Cima Investments	Global	4.30	12.81	-17.33	21.30	0.72	101
MaxQ Fund	North Asset Management	Global	2.26	10.53	15.37	14.80	0.62	670
Quantedge Global Fund	Quantedge Capital	Global	-5.75	9.99	18.85	34.83	1.22	20
MLM Macro - Peak Partners Offshore Fund	Mount Lucas Management Corp	Global	-9.66	9.93	22.51	20.00	0.63	351
Arsago Global Macro Opportunities Fund	arsago Global Hedge AG	Global	0.84	9.49	9.31	6.82	0.18	29
KC Asia Fund	Komodo Capital Management Pte	Asia inc Japan	2.30	8.57	14.35	4.39	3.07	71
Solaris Global Macro Fund - Class A	Redwood Capital Group	Global	7.85	7.79	19.46	13.67	1.21	3
CCP Quantitative Fund - Babbage Class	Cantab Capital Partners	Global	-0.89	7.24	7.97	8.55	1.23	50
Graham Global Investment Fund - Proprietary Matrix Portfolio	Graham Capital Management	Global	1.05	6.74	9.03	13.27	0.39	348
Graham Global Investment Fund II - Multi Trend Portfolio	Graham Capital Management	Global	0.75	6.34	11.12	13.85	0.33	225
Excalibur Absolute Return Fund	Excalibur Funds Management	Global	4.64	5.75	21.39	11.36	2.22	14
Polar Capital Discovery Fund - USD	Polar Capital	Global	1.29	5.52	14.36	5.92	0.82	86
The Eclectica Fund - EUR	Eclectica Asset Management	Global	-15.60	5.10	1.61	20.13	0.37	245
Other Macro Indices								
Eurekahedge Emerging Markets Macro Hedge Fund Index	-	-	-4.44	-4.60	19.55	6.70	2.05	-

Notes:

* Ranked by 2008 YTD Returns

** Based on 59.26% of the funds reporting their Mar-08 returns as at 15-Apr-2008

Eurekahedge Commentary

After turning in impressive gains in February, hedge funds faced another difficult month in March. The composite Eurekahedge Hedge Fund Index finished the month down 1.9%, against a backdrop of heightened investor risk aversion, inflation concerns across the board, liquidity issues taking a toll on financial institutions, and large firms reporting further write-downs resulting from the meltdown of the US subprime mortgage market.

In terms of strategic mandates, macro funds registered losses averaging 1.9%. Managers made healthy gains from shorting the free-falling US dollar against currencies like the euro and the yen, during the month. However, long positions across equities resulted in losses, as equity markets across most regions finished flat to negative; the MSCI World Index shed 1.3% on the month. Commodity trading also went some way in eroding capital, owing to a sell-off across commodities, towards the month-end. Emerging market managers (-4.4%) were impacted to a greater extent, partly due to the declines across equities in markets such as China and India.



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Mandate Scoreboard

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The table below shows new allocation commitments gained by alternative managers year-to-date through April 16. The 2007 column denotes last year's ranking. Wins represent the number of new mandates the firm has won this year.

2008 Tally					Week of Apr. 14 Wins		
Rank	2007	Firms Hired	Wins	Total*	Client	Asset Type	Amount*
1		J.C. Flowers & Co.	1	4000			
2	131	BridgePoint Capital	5	1005			
3		TPG Capital	2	925	Teachers Retirement System of the State of Illinois	Private equity (U.S.)	150
4	99	Credit Suisse	5	850			
5	63	Advent International	8	801			
6		FountainVest	2	600			
7		Lone Star Funds	2	550			
8		Riverstone/Carlyle	2	530	San Francisco Employees' Retirement System	Private equity (U.S.)	30
9	3	CVC Capital Partners	2	430			
	23	Texas Pacific Group	2	430			
11	34	PIMCO	4	420			
12	57	Grove Street Advisors	1	400			
13	6	Carlyle Group	4	386			
14	57	Baring Asset Management	2	317			
15	110	Barclays Global Investors	3	305			
16	22	Oak Hill Capital Partners	1	300			
17	80	Schroder Investment Management	2	270			
18	49	Wayzata Investment Partners	2	265			
19	89	Macquarie Infrastructure Group	3	235			
20		Actis	2	230			
21	36	Partners Group	1	230			
22		Summit Partners	3	220	Virginia Retirement System	Private equity (Europe)	105
23		Apollo Investment Corporation	4	215			
24		JPMorgan Asset Management	2	210			
	125	Nordic Capital	2	210			
26		State Street Global Advisors	2	200			
27		Gresham Investment Management	1	200			
		HSBC Private Equity	1	200			
		Invesco Private Capital	1	200			
	97	The Jordan Company	1	200			
	50	Mariner Partners	1	200			
32		Noble Environmental Power	1	200			
33		ABN AMRO Asset Management	1	196			
34		AnaCap Financial Partners	1	165			
35	27	New Mountain Capital	3	160			
36		Versa Capital Management	1	150			
37		"Angelo, Gordon & Company"	3	145	San Bernadino County (Calif.) Employees Retirement Association	Distressed debt	30
					Virginia Retirement System	Private equity (U.S.)	70
38	162	Henderson Global Investors	1	139			
39	349	Siguler Guff & Co.	5	121			
40	349	Yucaipa American Funds	2	120			
41		Harris Alternatives Investment Mgt	2	118			
42	19	BlackRock	4	108			
43		AP Alternative Assets	2	100			
	224	Marathon Asset Management	2	100			
	106	Pacific Alternative Asset Mgt Co.	2	100			
	149	Vista Equity Partners	2	100			
47		Aisling Capital	1	100			
		The Banc Funds Company	1	100			
		Evnine-Vaughan Associates	1	100			
		Fillmore Capital Partners	1	100			
	78	Green Equity Advisors	1	100			
		Knight Vinke Asset Management	1	100			
		Pershing Square Capital Management	1	100			
		Tenaska Capital Management	1	100			
		WLR Recovery Fund	1	100			
56	8	Lehman Brothers	2	90			
57		Sun Mountain Capital	1	90			
58	5	The Blackstone Group	3	86			
59	89	Macquarie Funds Management	3	76			
60	72	BLUM Capital Partners	1	75			
		Caspian Capital Partners	1	75			
		Catterton Partners	1	75			
	318	Horsley Bridge Partners	1	75			
	40	PAI Management	1	75			
65		HgCapital	2	70			
66		Southwest Funding	1	69			
67	71	UBS Global Asset Management	1	68			

Rank	2007	Firms Hired	Wins	Total*	Client	Asset Type	Amount*
69	64	EACM Advisors	1	68			
70	46	Natural Gas Partners	2	65			
71		Platinum Equity	2	60			
		Chicago Equity Partners	1	60			
		Milestone Partners	1	60			
		Split Rock Partners	1	60			
74		Morgan Stanley Investment Management	1	57			
75		ANZ Asset Management	2	56			
76		Madison Dearborn Partners	2	55	New Mexico Public Employees Retirement Association	Private equity/buyout (U.S.)	25
					San Francisco Employees' Retirement System	Private equity (U.S.)	30
77	264	LGT Capital Partners	1	51			
	93	Exponent Private Equity	1	51			
79		ABRY Partners	2	50	Virginia Retirement System	Private equity (U.S.)	20
80		Aristeia International	1	50			
	15	Bridgewater Associates	1	50			
	247	Cardinal Partners	1	50			
		Essex Woodland Health Ventures	1	50			
		Five Arrows Leasing Group	1	50			
		Fore Convertible Fund	1	50			
		Gold Hill Venture Lending Partners	1	50			
		Lydian Overseas Partners	1	50			
		Orleans Capital Management	1	50			
		Pinnacle Asset Management	1	50			
	76	Stark Investments	1	50			

For a complete listing of the Mandate Scoreboard, please visit www.alternatives.com

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The following directory includes search activity for the week. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. All amounts are in US\$ millions unless otherwise stated.

Fund & Location	Total Assets	Mandate Size	Mandate Region	Asset Type	Consultant	Comments
Landmark Communications , Norfolk, Va.	278	8	US	Hedge funds	-	The fund has plans to invest 3% in hedge funds and will hire two managers for the \$8.34 million commitment.
PP Pension , Stockholm	1430	-	Global	Infrastructure, commodities, private equity	MPIR Investment Research	The scheme plans to invest in infrastructure, commodities and private equity for the first time with the help of Wassum Investment Consulting.
Petro-Canada , Calgary, Alberta	1297	13	US	Energy	-	The scheme plans to invest 1% in energy funds after its asset study slated for this year.
Stichting Pensioenfonds PGGM , Zeist, The Netherlands	140606	-	Global	Commodities	None	The fund plans to increase its commodities allocation to 7% from 5%, and private equity to 6% from 5%.
National Council for Social Security Fund , Beijing	74	-	Global	Private equity	-	The fund plans to invest in international private equity to include direct investments in the financial, transport and energy sectors, and indirectly through funds of funds.
Public Service Pension Fund of Taiwan (PSPF) , Taipei	4299	-	International	Private equity, hedge funds	-	The fund plan to invest in alternatives including private equity and hedge funds over the long term.
Teachers' Retirement Allowances Fund of Manitoba , Winnipeg	2794	140	Canada	Private equity, infrastructure	Brockhouse & Cooper	The fund plans to raise its private equity investments to 10% from 5%, and infrastructure to 5% from 1%.
Brockton (Mass.) Contributory Retirement System	368	18	US	Private equity	Evaluation Associates	The board has raised the plan's private equity allocation to 5% from 3%, pending approval from the Massachusetts Public Employee Retirement Administration Commission. The plan will then search for managers.
Söfnunarsjóður Lífeyrisréttinda (Icelandic General Pension Fund) , Reykjavik	1598	-	Global	Private equity	None	The fund will increase its private equity commitments to 8%. It will invest in Europe, emerging markets and Asia. It has not set specifics for the amount and time frame.
Swedish Match Pension Schemes , Stockholm	340	-	Global	Hedge funds	None	The scheme plans to increase its hedge funds allocation and may hire a new manager following its portfolio review.
University of California Endowment , Oakland	6700	67	US	Private equity, fund of hedge funds	-	The fund plans to raise its private equity portfolio to 5% from 4%. It also expects to make a maiden fund of funds foray and is likely to hire a manager for the asset class by year's end.
Missouri State Employees' Retirement System , Jefferson City	8000	-	US	Hedge funds	Summit Strategies Group	The fund is actively looking at hedge funds and may increase its allocation by the end of the year.
Hawaii Employees Retirement System , Honolulu	11700	25	US	Venture capital	Pension Consulting Alliance	The system has issued a request for information for an in-state venture capital fund of funds manager. The RFI can be requested by calling (808) 586-1705. All responses are due May 30.

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PAMPLONA PREPS

(continued from page 1)

particularly in the European leveraged loans and asset-backed securities spaces, said Gordon Smith. He declined to give a capacity for the fund, but noted that there are many more sellers of loans in the market than there are buyers and the opportunities are enormous. The fund will be managed by a new team of six-to-eight people who are joining Pamplona from other firms, said Gordon Smith, declining to give more details. There will be a three-year lock-in period, “so the fund can draw on a stable capital base to build up a stable debt base,” he continued. It will also make use of the relationships that Pamplona’s private equity team, led by **John Halstead**, has built up with the banks which originate the loans.

The firm’s fourth fund of hedge funds is also slated to roll out this year. Gordon Smith was unable to provide specifics about the strategy, but noted it may draw on his own and CEO **Alex Knaster**’s experience of the Russian market. The pair worked together at **Credit Suisse First Boston** in Moscow. Knaster has also worked at Russian **Alfa Bank**, and oil company **Sidanco**.

Pamplona’s two single-strategy hedge funds—a global emerging markets fund and an energy and transportation fund—returned 3.1% and 11.3% in the first quarter, respectively. Its existing funds of funds are multi-strategy, emerging markets, and real estate/infrastructure offerings.

—*Harriet Agnew*

EX-HBK MANAGER

(continued from page 1)

backed securities, commercial mortgage-backed securities, collateralized debt obligations, collateralized loan obligations and interest rates using credit derivatives. “The severe deterioration in the subprime RMBS market has created distress and illiquidity that continues to spread to other markets. At current price levels, assets often exhibit positive credit convexity,” read the presentation. “We have the expertise to allow us to recognize and capitalize on opportunities across sectors and across the entire credit spectrum.” Its investment minimum is \$1 million and fees are 2/20 with a high-water mark. It has a one-year lock-up.

At HBK, Jenks headed up the structured products group from 2002-2007. He created the firm’s ABS, MBS and CMBS platforms and started their CDO issuance program. **Edwin Witham** has co-founded Apeirogon with Jenks. Previously he worked at **ACA Capital** for one year and before that, at **LibertyView Capital Management**, a \$2.5 billion multi-strategy subsidiary of **Lehman Brothers**. At LibertyView, he

co-managed two funds focused on ABS, MBS, CMBS and CDOs. **John Mosle**, spokesman for HBK, declined to comment, and spokesmen at ACA and Lehman did not return calls by press time.

—*Suzy Kenly*

ZURICH FIRM

(continued from page 1)

socially-responsible mining projects,” he said. Perry is speaking with potential investors and has interest from high-net-worth individuals, foundations and endowments in the U.S., and pension funds in Europe. **Credit Suisse** has shown interest as well, he added.

The firm launched a socially-responsible fund of hedge funds on Jan. 1 (*ialternatives.com*, Dec. 7.) The **SAR Environmental Fund** has seven managers in its portfolio and seeks to add up to two managers in the next few months. It invests exclusively with funds that are socially responsible, investing in renewable energy, clean technology, water, carbon finance, agriculture and ecological finance, among other sectors. The firm seeks to increase the SAR fund’s assets to \$500 million from \$6 million. It was down 2% in March. “January was a horrible time to launch,” Perry said, adding that despite negative returns last month, the firm remains bullish on these sectors.

Schmidt co-founded the firm in 2001. Previously he co-founded **Expectunity**, a Zurich-based asset management firm. Bailey was a project manager at **UBS** in Zurich before joining SAR in May 2005.

—*Suzy Kenly*

Quote Of The Week

“It’s a sad commentary on the system that people should feel intimidated to stand up for what’s right. But people stood in silence, so I had to step up.”—**Phil Goldstein**, winner of AIN’s Outstanding Contribution to the Hedge Fund Industry award, on why he took on the **Securities and Exchange Commission** (see story, page 15).

One Year Ago In Alternative Investment News

Gary Vaughan-Smith, ex-head of **ABN AMRO Asset Management**’s alternative investment group, co-founded a multi-strategy fund of hedge funds firm in London with **Alex Da Costa**, former head of alternative portfolio construction at **ABN AMRO**. **SilverStreet Capital** opened with €500 million. [Assets under management grew to €650 million by December (*AIN*, Dec. 7) and in March the firm hired **Edwin Doeg** in Stockholm to support the increased inflows from the Scandinavian insurance sector (*AIN*, March 4).]