CTAs Dominate Best-Performing List in Europe

BY WILL WAINEWRIGHT

A plunging oil price helped commodity trading advisers/managed futures funds dominate a list of Europe's best performers this year through Nov. 30, according to data compiled by Bloomberg.

Mulvaney Capital Management Ltd.’s Global Markets Fund topped the list with a 53.5 percent gain, the data showed. “Short exposure to oil and currency markets generated significant returns” in the second half of the year, Paul Mulvaney, the $71 million systematic CTA’s founder, said in an e-mail. The London-based fund rose 43 percent in 2013.

The SMN Diversified Futures Fund, a $80.8 million systematic CTA, came second with a 45.8 percent return. Gernot Heitzinger, a managing director at Vienna-based SMN Investment Services GmbH, said the fund had profited from the move in the price of crude oil, decreasing interest rates and currency swings, including a bet on the U.S. dollar against the Russian ruble. The fund lost 6 percent last year. International Standard Asset Management Ltd.’s ISAM Systematic fund, run by Darren Upton, followed closely, with a 45.2 percent gain. A spokesman for the fund confirmed the returns.

Man Group Plc was the only manager with two funds on the list. The London-based firm’s AHL Diversified and Trend offerings, both managed by Tim Wong and Matthew Sargaison, placed sixth and seventh on the list of the $50 million-plus funds tracked by Bloomberg, with gains of 30 percent and 29.1 percent, respectively. A spokeswoman for the funds declined to comment.

Systematic CTAs managed by Aspect Capital Ltd. and John Locke Investments SA both also profited from a falling oil price. With a 24 percent increase, the Aspect Diversified Fund was the ninth-best performer. Its continuing short bet on Brent crude, placed in July, was the year’s most profitable energy trade, said Anthony Todd, the $4.8 billion fund’s founder. Energy and fixed-income bets also proved fruitful, with German 30-year and Japanese 10-year bonds most profitable in fixed-income, he said. The fund lost 4.4 percent last year.

John Locke Investments’ Cyril Systematic USD Fund came tenth on the list with a 23.8 percent gain. The French firm profited from price moves in crude oil and natural gas, said its founder, Francois Bonnin. The $130 million CTA, which fell 2 percent in 2013, also made money from a long position on Japanese yen amid better conditions in general for trend-followers, he said. “It has been a tough environment for CTAs since the end of 2008,” he said. “Now trends have returned.”

Chenavari Credit Partners LLP’s $500 million Toro Capital fund, managed by Benoit Pellegrini and Frederic Couderc, placed eighth on the list with a 24.3 percent increase. The structured credit fund, which made 33 percent last year, profited from long positions in Spanish asset-backed securities, Pellegrini said in a telephone interview.

The fund was one of three funds on the top-10 list not to deploy a CTA/managed futures strategy. Stockholm-based Rhenman & Partners Asset Management AB made 37.2 percent in its $400 million global health care-focused long-short equity fund. Positive contribution came from being long the sector, founding partner Henrik Rhenman, said in a telephone interview. Cologny Advisors LLP’s Camox Fund was the other long-short equity fund on the list. It placed fifth, returning 31.5 percent. A spokesman for the fund confirmed the returns.

QUOTE OF THE WEEK

“Many became EM specialists after the term ‘BRIC’ was coined in 2001 and don’t know any serious crisis.”

— Stephen Jen, SJL Macro Partners (see story)

NUMBER OF THE WEEK

53 PERCENT: Returns, through Nov. 30, of Mulvaney Capital’s Global Markets Master Fund, making it this year’s best-performing European fund tracked by Bloomberg.

INSIDE

YEAR IN REVIEW: Timeline of some key events, including launches, fund closures and regulatory developments

RETURNS IN BRIEF: Adelphi Capital’s Europe Fund rises 1.9 percent in the first five days of December

LAUNCHES: Brevan Howard plans to start an Argentina-focused hedge fund

RESEARCH ROUND-UP: Hedge fund assets rose to a record in November

REGIONAL FOCUS: In a punishing year for global funds, those investing in Asia are survivors

THE SHORT OF IT: Marshall Wace, Odey Asset Management and Lansdowne are shorting OTP Bank, a Hungarian lender with a Russian subsidiary

NEW FUNDS ADDED: Marshall Wace adds a new fund to Bloomberg’s database

SPOTLIGHT: Aref Karim, CEO and CIO of Quality Capital Management, on the resurgence of investor interest in CTAs and his outlook for 2015

CALENDAR: A list of hedge fund-related events in Europe
PERFORMANCE SNAPSHOT: EUROPEAN FUNDS

A look at some of the best-performing hedge funds that report to Bloomberg. Returns are through Nov. 30. This table is limited to funds whose management company is located in Europe. For questions please contact Akiko Itano at aitano1@bloomberg.net.

2014 Returns

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<th>FIRM</th>
<th>FUND</th>
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YEAR IN REVIEW: HIGHLIGHTS OF 2014

COMPiled by DARSHINI SHAH AND PEKKA AALTO

TIMELINE: LAUNCHES AND CLOSURES

Brevan Howard shuts Geraldine Sundstrom's hedge fund after it lost money amid a rout in emerging markets. Sundstrom is consequently reported to have joined Pimco.

Dominique Strauss-Kahn, who joined Leyne, Strauss-Kahn & Partners last year as chairman, says he plans to raise $2 billion for the company's hedge fund, DSK Global Investment. Strauss-Kahn, former IMF managing director, subsequently gives up chairmanship on Oct. 20, while LSK co-founder Thierry Leyne falls to his death in Tel Aviv on Oct. 23 in an apparent suicide.

Algebris Investments plans a fund to buy non-performing loans in Italy as the country's banks prepare to sell assets.

HALL Commodities tells clients it's shutting down after less than two years in business, citing poor performance.

Archipel Asset Management returns cash to investors, saying that the "quantitative models serving as the foundation of the fund's asset management activities have experienced difficulties generating returns."

BlueBay Asset Management closes its $1.4 billion macro hedge fund after senior portfolio manager Neil Phillips leaves to start a global macro hedge fund with an emerging-market focus.

Brevan Howard pulls the plug on its $630 million commodity fund managed by Stephane Nicolas after it tumbled 4.3 percent this year through the end of October.

Cheyne Capital Management starts a fund to invest in housing for the U.K.'s poorest.

LAUNCHES TO LOOK OUT FOR IN 2015

David Fear and Michael Sidhom, former fund managers at Ziff Brothers Investments, are each working on separate startups in London. Fear, who registered the name Thunderbird Partners, will probably start a fund next year. Sidhom, 35, registered the name Immersion Capital. Both funds, which will have an equity long-short strategy, are starting with investments from New York-based Ziff Brothers.

Anil Prasad, a former head of currencies and local markets at Citigroup, and Farhang Mehregani, previously the chief investment officer of Sciens Capital Management, are setting up a London-based macro hedge fund. The fund, to be called Silver Ridge Asset Management, may open in the first quarter of 2015.

Leda Braga, who oversaw BlueTrend at BlueCrest Capital Management, is starting Systematica Investments. It will oversee $8.3 billion and be minority owned by BlueCrest.

Ziad Tabet, a former money manager at Philippe Jabre’s hedge fund, plans to start an event-driven fund, Amakor Capital Management, in the first quarter.

Simon Davies, who managed money at Cheyne Capital Management, plans to start trading an event-driven fund with Sand Grove Capital Management in the first quarter.

NUMBERS OF THE YEAR

94% — The amount bonuses for hedge-fund employees in London have dropped by since 2012, according to Emolument.com.

$1.5 billion — The size of BSMA, BlueCrest's internal fund run for the benefit of its partners. Albourne Partners said BlueCrest had a potential conflict of interest over the fund.

17 — The number of European funds that made Bloomberg Markets' annual '100 Top-Performing Large Hedge Funds' global list. The list was published in January.

TIMELINE: REGULATORY DEVELOPMENTS

U.K. loses its fight against EU powers to ban short selling.

The European Parliament backs measures limiting guaranteed bonuses for managers of UCits funds and requiring payments of at least 40 percent of variable pay to be deferred for a minimum of three years.

U.K. loses a bid to counter plans by 11 EU nations for a common financials transaction tax, after the bloc’s top court said it was too soon to rule on the legality of the move.

AIFMD comes into force.

U.K.'s FCA says fund managers are entitled to be paid millions of pounds if they’re delivering high returns for investors, the first sign it won’t seek to impose wage caps on the industry.

U.K. opposition Labour Party leader Ed Miliband announces a plan to raise £2.5 billion, of which £1.1 billion would come from stopping hedge funds avoiding tax on shares and closing the “Eurobonds loophole.”

Denmark’s Financial Supervisory Authority says it will toughen oversight of its $500 billion pension industry after observing a surge in risk-taking linked in part to more widespread use of hedge funds.
RETURNS IN BRIEF

Henderson Global Investors Ltd.’s U.K.-focused long-short equity fund rose 0.5 percent this month through Dec. 5 to bring year-to-date returns to 4 percent, said Fiona Kehily, a spokeswoman for the London-based firm. The $206 million AlphaGen Octanis Fund, which made 2 percent last month, is managed by Luke Newman and Ben Wallace. It rose 17 percent last year, Kehily said.

Adelphi Capital LLP’s Europe Fund posted a 1.9 percent gain in the first five days of December to increase returns for the year to 10 percent, according to spokeswoman Sophie Kainradl. The $1.7 billion fund, which made 3.2 percent last month and 17 percent in 2013, is co-managed by Roderick Jack and Marcel Jongen, according to the London-based firm’s website. Adelphi’s $150 million Emerging Europe Fund fell 0.2 percent this month through Dec. 5 after a 0.6 percent loss last month, increasing its loss for the year to minus 8.3 percent, she said. It gained 21 percent last year.

Claren Road Asset Management LLC, the hedge-fund firm majority owned by Carlyle Group LP, lost money in November, extending declines this year to 10 percent. The firm’s main hedge fund fell 1 percent last month, in part because of bets on clean energy companies, municipal bonds and Europe, according to an investor update, a copy of which was obtained by Bloomberg News. The $7.3 billion hedge fund firm plunged 9.7 percent in October in its credit master fund, its biggest monthly loss since it was started in 2006. The New York-based firm was hurt by investments in Fannie Mae and Freddie Mac, as well as energy positions that declined as oil futures slumped into a bear market. Randall Whitestone, a spokesman for Carlyle, didn’t immediately return a call.

Warren Naphtali’s $3.9 billion currency fund is up about 24 percent this year, according to an investor report. Boston-based P/E Investments benefited indirectly from oil’s plunge as it bet on currencies with little exposure to commodities, according to two people familiar with the matter. The firm’s main fund, which relies on computer models to trade, rose 4 percent in November, helped by the U.S. dollar and by wagers against the Canadian and Australian dollar, the euro and the Swiss franc, according to one of the people.

The China fund of Pine River Capital Management LP returned about 22 percent this month through Dec. 12, said a person with knowledge of the matter. The market-neutral Pine River China Fund, led by Pine River partner and head of China strategies Dan Li, returned 6.6 percent in November and 6.9 percent in the first two weeks of December, said the person. The Pine River fund’s current size of $749 million compares with the $100 million it had when it started in October 2013 and $116 million at the beginning of the year, the person said. Patrick Clifford, a spokesman for Pine River in New York, declined to comment on the fund.
LAUNCHES

Brevan Howard to Start Argentina Fund

Brevan Howard Asset Management LLP, the $37 billion investment firm run by Alan Howard, is planning to start a hedge fund to focus on Argentina, as investor speculation mounts that the country can overcome default.

The firm has raised $25 million for its Brevan Howard Argentina Fund, according to a filing with the U.S. Securities and Exchange Commission. A spokesman for the firm declined to comment on the fund.

Speculation increased this year that Argentina will resolve the dispute once a bond clause it says precludes a settlement expires this month and a new president is elected. Argentina, which defaulted in 2001 and this year, has failed to reach agreement with Singer and other so-called holdout investors, and instead is planning to sell bonds that will be governed by local laws.

Brevan Howard was started by Howard in 2002 with four members of a proprietary fixed-income trading desk at Credit Suisse Group AG. The hedge fund firm is based in St. Helier on the island of Jersey.

Weingord’s Seer Ups Bet in Commercial Mortgages

Philip Weingord’s Seer Capital Management LP is getting more bullish on U.S. commercial real estate.

The $2.1 billion hedge fund firm, started by ex-Deutsche Bank AG executive Weingord, is planning a fund dedicated solely to buying the riskiest pieces of bonds backed by commercial properties, according to a presentation, a copy of which was obtained by Bloomberg News.

Holders of so-called B pieces are the first to lose money when borrowers default; in exchange they earn higher returns and control which mortgages are included in new deals created by Wall Street, making them gatekeepers for the rest of the $550 billion market. Seer’s new fund, which will be run by Weingord, will add to about $400 million in similar investments the firm accumulated since the beginning of the year, according to the presentation.

Seer is considering a longer-term horizon for the fund’s lifespan than its other strategies to match the investments, which can mature in eight to 10 years, according to the presentation. The firm is targeting annual returns in the “low to mid-teens,” it said.

Catherine Jones, a spokeswoman for Seer at Polisi Jones Communications LLC, declined to comment on the presentation.

Carlson Plans Energy Funds to Exploit Oil Price Decline

Carlson Capital LP, a $9 billion investment firm, plans to start three hedge funds to invest in the debt and equity of energy companies after oil prices slumped to their lowest in five years.

“This is not an attempt to call the bottom in the price of crude — in the short term the price can clearly head lower,” founder Clint Carlson wrote in a Dec. 15 letter to clients. “Regardless of the short-term direction of the commodity, there will be dislocations that can be profitably exploited.”

Carlson, based in Dallas, said price swings and uncertainty in oil markets present opportunities to make long-term investments in energy “at distressed valuations well below those seen at the depths of the financial crisis.”

One of the funds that Carlson plans to start, Black Diamond Energy Sector, will seek to outperform an exchange-traded fund, SPDR S&P Oil & Gas Exploration & Production, and will charge a management fee and an incentive fee on the amount that it beats the energy benchmark, according to the letter.

Jonathan Gasthalter, a spokesman for Carlson at Sard Verbinnen & Co., declined to comment on the letter.

RESEARCH ROUND-UP

Investors withdrew more from hedge funds than they allocated in the last two months, putting the industry on course for its first quarter of net outflows in three years, according to Hedge Fund Research, Inc.

Withdrawals from hedge funds outsized new investments by $1.5 billion in October and November, the Chicago-based data provider said. Performance-based asset gains offset the outflow in the past two months, resulting in a $29 billion net increase of hedge fund capital, and bringing total industry assets to a record $2.85 trillion as of the end of November.

Net outflows were highest in global macro, where funds lost a total of $6.3 billion, HFR said.

Redemption notices from hedge fund investors increased to 5.1 percent in November from 3.1 percent in October, according to the latest SS&C GlobeOp Forward Redemption Indicator. “In line with seasonal expectations, forward redemption requests increased in November due to year-end investor rebalancing,” Bill Stone, chairman and CEO of SS&C Technologies, said in a statement. The indicator is calculated by taking the sum of forward redemption notices received from investors in hedge funds administered by SS&C GlobeOp and dividing it by the firm’s assets under administration from the beginning of the month. About 10 percent of the hedge fund industry’s total assets are administered by SS&C GlobeOp platform, according to the firm.

Net flows into funds investing in North America were at $28.6 billion this year through October, according to Eurekahedge Pte. That’s less than half the $63.2 billion collected last year. Inflows into Asia fell to $5.3 billion this year through October, from $11 billion last year, the data showed.
MARKET CALLS

SLJ’s Jen Says Prepare for Pain in Emerging Markets

Stephen Jen, who runs London-based hedge fund SLJ Macro Partners LLP, is bracing for more pain in emerging markets.

Jen worries that many emerging-market analysts are too young to remember the late 1990s. Instead they learned the ropes in an era dominated by the rise of Brazil, Russia, India and China — a supposed one-way bet to prosperity.

The youngsters are about to be schooled. Jen says echoes of 1997-1998 may be at hand.

Investors woke up on Dec. 16 to Russia’s interest-rate increase to defend the ruble. There’s the mounting likelihood of a Venezuelan default. Stocks from Thailand to Brazil are reeling. The Fed hasn’t even begun raising interest rates.

Jen is bracing for more pain.

“At some point, the risk of fractures in parts of EM will rise sharply,” said Jen. While unwilling to draw up a blacklist for now, he says exchange rates reveal emerging-market dangers. Russia’s ruble, Brazil’s real, Mexico’s peso, Turkey’s lira, the South African rand and Indonesian rupiah have all hit the skids.

The biggest causes for worry, bigger than a recession in Russia or the oil-price plunge: the slowdown in China, which has already upended commodity prices, and the likelihood U.S. growth will propel the dollar higher and suck assets out of emerging markets.

“My long-standing view on EM currencies is that they could melt down because there has simply been way too much cumulative capital flows,” said Jen. “Nothing the EM economics can do will stop these potential outflows as long as the U.S. economy recovers.”

— Simon Kennedy

Chan Stays Short Yen Amid Bounce

Charlie Chan, founder of Singapore-based Charlie Chan Capital Partners, is sticking with his position selling the yen even after the currency gained as much as 5.4 percent from a seven-year low.

Japan’s Prime Minister Shinzo Abe will do whatever it takes to steer the economy out of recession after winning electoral backing for his stimulus policies, said Chan. His Splendid Asia Macro Fund returned more than 20 percent this year as investments that included yen trades paid off, he said. backing for his stimulus policies, said Chan.

“Dollar-yen’s pullback was a bit more than I expected,” Chan said in a telephone interview on Dec. 17. “I don’t think anything has changed. Abe has a bigger mandate and he has time on his side. However, the selloff in commodities is spooking everybody out.”

The dollar will rise toward 120 yen when the price of oil recovers, Chan said.

Concern that the drop in oil demand reflects a slowing world economy has led investors to seek the safest assets.

“Dollar-yen’s fall so much there will be a rebound,” Chan said. “But it’s not going to happen overnight.”

— Neeti Ismail and Hiroko Komiya

MARKET CALLS, REVISITED BY DARSHINI SHAH

Eyck Capital Management LLP’s distressed and special situations fund started building a long position in SBM Offshore NV in early May 2013 and a short position in Nyrstar NV in August 2013, Bloomberg Brief: Hedge Funds Europe reported in November last year.

Shares in Netherlands-based oil and gas services company SBM Offshore climbed 31 percent from May to October last year. Since then, shares have fallen about 43 percent. From the beginning of August last year, shares in Belgian metals and mining company Nyrstar plunged 40 percent and hit 1.5759 euros in December 2013. This year, the stock has risen about 57 percent. Eyck founder Khing Oei did not respond to an e-mail seeking comment.

— Pierre Paulden

Ackman ‘Meaningfully’ Adds to Fannie-Freddie Bet

Bill Ackman, founder of Pershing Square Capital Management LP, said he’s added “meaningfully” to his bets on U.S. mortgage companies Fannie Mae and Freddie Mac in the past two weeks.

His New York-based hedge fund firm is wagering that Congress or the courts will restore value to Fannie Mae and Freddie Mac securities after the companies were seized by regulators in 2008. Securities in both plunged after a federal judge threw out a lawsuit on Sept. 30 that would have forced the government to share the companies’ profits with private investors.

“The government cannot act outside the law,” Ackman said in an interview on Bloomberg Television with Erik Schatzker and Stephanie Ruhle on Dec. 17. “This is a decision that will never stand.”

— Pierre Paulden
REGIONAL FOCUS

Asia Funds Survive in Year of Pain for Global Industry

In a punishing year for global hedge funds, those investing in Asia are the survivors. Stung by poor returns and large redemptions, 889 hedge funds worldwide shut in the first 11 months of the year, above the annual average of 810 in the five years since the global financial crisis of 2008, according to figures from research firm Eurekahedge Pte. In contrast, 56 Asia-focused funds had closed by the end of November, less than half the average 135 closures in the previous five years.

“Asia’s hedge funds, on average, are more resilient than those in Europe and the U.S.,” said Brian Thung, who advises hedge funds as a Singapore-based partner at Ernst & Young Global Ltd. “In addition to better performance, they have a lower cost base, which helps them survive with lower assets under management.”

Bolstered by rallies in equity markets such as India and China, Asian funds are set to outperform their peers in Europe and the U.S. for a third year, even as their inflows slowed. Funds investing in the region, which on average are two-thirds the size of their U.S. peers, have returned 6.1 percent this year to the end of November, compared with a 5.7 percent return for North America and 1.2 percent for Europe, according to data from Singapore-based Eurekahedge.

In Asia, funds with assets of $500 million or less had net inflows amounting to 8 percent of the region’s total flows since January 2013, according to Eurekahedge. By comparison, investors withdrew money from same-sized funds focusing on other regions, with outflows making up 9 percent of total flows, according to the data provider.

“In Asia, there is less hot money than in Europe and the U.S. It’s a cultural thing.”

— GORDON RUSSELL, BROADRIDGE FINANCIAL SOLUTIONS

Allocations in Asia are “stickier” and less likely to be withdrawn in times of trouble, said James Luong, the Singapore-based manager of the Thetis Macro Opportunities Fund, which started this year with assets of less than $20 million.

That’s because Asia-mandated funds get more money from the region’s wealthy individuals and family offices, and less from institutional investors than funds investing elsewhere, Luong said. Many of those Asian investors “were entrepreneurs at one point in time. So they are more comfortable with volatility and risk taking,” he said.

Asia’s fund industry is more “robust” because investors’ allocations have been less volatile, said Gordon Russell, Singapore-based global head of risk at hedge-fund service provider Broadridge Financial Solutions Inc.

“Asia has been underweight by global allocators for years,” Russell said. “So when institutional investors and funds-of-funds are looking to pull their money, they are going to pull less from Asia because they are underexposed already.”

Russell also said that Asia’s investors have borrowed less than those elsewhere and consequently are under less pressure to withdraw money when their investments decline in value. “In Asia, there is less hot money than in Europe and the U.S.,” he said. “It’s a cultural thing. Asia is about safe money; Americans and Europeans are big borrowers.”

Asia, especially emerging markets in the region, makes for good diversification in investors’ portfolios at a time when Europe is struggling to recover and the U.S. is just starting to pick up, Eurekahedge’s Hassan said.

“That means investors are less inclined to withdraw money from the region, which stabilizes Asia’s hedge-fund industry,” he said.

More fund managers in Asia start with their own money, giving them more of an incentive to perform and stay in business, said Thung at Ernst & Young.

“There is a deep keenness of managers here who want to try to continue as long as they can, even by funding their own operations themselves,” he said.

— Klaus Wille

THE SHORT OF IT

Funds Short Hungarian Bank OTP

Marshall Wace LLP, Odey Asset Management LLP and Lansdowne Partners LP are shorting OTP Bank Plc, a Hungarian lender with a Russian subsidiary whose shares have fallen almost 6 percent this month.

All three London-based funds took or increased their position this month in OTP, Hungary’s largest lender, according to data compiled by Bloomberg. A sharp rate increase by Russia’s central bank on Dec. 16 has done little to stem a plunge in the ruble, which is down 45 percent this year to Dec. 19.

OTP’s Russia and Ukraine holdings, in relation to its size, are among the largest of all foreign banks active in the two countries. Budapest-based OTP has 3.2 billion euros ($4 billion) at risk in Russia and 2.4 billion euros in Ukraine, analysts at Citigroup Inc. said in a note yesterday. Taken together, that’s equivalent to 1.45 times OTP’s tangible equity, the analysts said.

OTP’s Russian unit isn’t directly affected by the ruble’s weakening and its amount of foreign-exchange loans is “insignificant,” the lender said in a statement on Dec. 16. The ruble’s depreciation has no direct impact on the bank, it said.

Representatives of Marshall Wace and Lansdowne declined to comment. A spokeswoman for Odey didn’t immediately respond to a request for comment.

The three long-short equity funds manage about a combined $47 billion.

— Lindsay Fortado
NEW EUROPEAN FUNDS ADDED TO BLOOMBERG

The following European hedge funds were added to Bloomberg’s database between Dec. 9 and Dec. 15. Access the Hedge Fund Database Portal by typing **HFND <GO>** on your Bloomberg Terminal. To view U.S. hedge fund managers, users must fill out an Accredited Investor Form (Option 13).

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2015 Economic Outlook

Click here to download from your Bloomberg terminal.
Hohn’s Ex-Wife Won’t Appeal Divorce Giving Her Less Than Half

Jamie Cooper-Hohn, the ex-wife of The Children’s Investment Fund Management UK LLP founder Chris Hohn, won’t appeal a judge’s decision that gave her less than half of the couple’s $1.5 billion joint assets.

Cooper-Hohn said she wanted to focus on charitable activities that have been her “life’s work” and raise her three daughters and son. Judge Jennifer Roberts gave Cooper-Hohn 36 percent, or $530 million of the couple’s marital estate, in a Dec. 12 ruling.

“I considered appealing only to challenge the unjust ‘special contribution’ doctrine on behalf of other women in this country,” Cooper-Hohn said in a statement. “This unfair theory is anachronistic and dismisses the important roles women who raise children and hold jobs contribute to our society.”

Cooper-Hohn’s share of the marital estate was less than the 50 percent she had sought during a trial in July but more than the 25 percent that Hohn had offered her before the proceedings began.

He cited the ‘special contribution’ he said his financial acumen had made during the couple’s 17-year marriage.

The ex-couple have given away most of their fortune to a charity, the Children’s Investment Fund Foundation, which they established. Cooper-Hohn was its unpaid chief executive officer until last year.

Chris Hohn didn’t immediately respond to an e-mail seeking comment.

Lawyers uninvolved in the case said Cooper-Hohn may have had grounds to challenge the division of assets because laws in England and Wales presume the contributions that parties make during a marriage are equal, unless there are compelling circumstances.

“There is in effect a presumption of equality so you need a strong reason not to divide equally,” said James Roberts, a family lawyer at 1 King’s Bench Walk in London. “In those circumstances, it is a very, very rare case where you would not receive an equal division of the assets.”

Cooper-Hohn said she questioned why the ruling didn’t assign equal value to her efforts during the marriage.

“As a woman who during my marriage raised four children with little support while building one of the world’s largest foundations as its CEO and Board chair, how can it be that my contributions did not make me an equal partner in the eyes of the law,” she said in the statement. “If this is the law then the law is not just.”

— Andrea Gerlin
QCM's Karim Sees ‘Continued Upside Bias' for Equities, Further USD Gains in 2015

Aref Karim, chief executive officer and chief investment officer of Quality Capital Management, spoke to Bloomberg’s Darshini Shah about the resurgence of investor interest in commodity trading advisers and his outlook for 2015. The QCM Alpha Financials Programme rose 8.9 percent in November, bringing year-to-date returns to 7 percent, while the QCM Global Diversified Programme is up 11 percent this year after a 12 percent gain last month.

Q: What's the difference between the two QCM funds?
A: The Global Diversified Programme is QCM’s flagship long-short absolute-return strategy that trades a globally diversified portfolio of exchange-traded financial and commodity futures. Sectors covered are equities, bonds, interest rates, currencies, energies, metals and agriculturals. It is offered through managed account and offshore fund. Assets are currently $45 million following a peak reached in 2012 of $912 million. The Alpha Financials Programme originated in June 2012 through a specific institutional mandate. It is also a long-short strategy, targeting non-correlated absolute returns, and trades purely financials: equities, bonds, interest rates and currencies. It is offered through a managed account and offshore fund, and will also be available in a UCITS framework in 2015 to meet the demands of U.K. and Europe-based investors in an increasingly regulatory environment.

Q: Is there a push to increase assets?
A: Our focus is to partner with quality investors that have long-term time horizons. Historically, more emphasis was placed on pensions and institutions but today, diversification across geography and investor type have become paramount. For this reason, we are actively diversifying our audience to include family offices and wealth management firms globally, and will be offering our financials-only product in a UCITS framework in 2015 to meet the demands of U.K. and Europe-based investors in an increasingly regulatory environment.

Q: CTAs have had a great run this year. Is that enough to drive a resurgence of investor interest?
A: Investor interest that dried up in managed futures following the disappointing underperformance of a few years should return. In an environment where more divergences in global economies are starting to surface, rising volatility and disparate market conditions should provide great opportunities. Taking advantage of such opportunities, which CTAs tend to pursue well, should return the confidence back from investors. This is a strong long-term growth strategy which is of huge benefit to any portfolio because of the unique properties discussed above. Whilst it has been out of sync for a few years, its long-run benefit is immense, both as a return generator and a portfolio diversifier.

Q: What's your outlook for 2015?
A: At a high level, the biggest concern facing us is the prospect of rise in rates and its timing. After a 30-year bull run in bonds, is this the major turn that is to come in yields? If so, how do other assets get affected? There are divergences in global economies, not so much in policy today, but in the growth path. The U.S. is managing to eke out positive growth and company earnings still look healthy. There is an argument that possibly price-to-earning ratios in the U.S. are too high and we could see a major correction. Europe is slow and stimulus is being added. Japan remains still in a deflationary environment even with Abe's large effort. China has slowed down. Overall our own expectation is that equities overall will continue to have an upside bias with periodic jittery corrections, bonds will be the unknown trade with everyone currently long. Our thinking is yields will start to bottom soon, particularly in the U.S. and possibly stay low for a while, whilst Europe has more room to decline. Commodities are likely to remain weak with occasional upside flurries. The dollar should strengthen further in 2015.

At A Glance

Age: 61
Education: BA in English & Economics
Family: Three children
Hobbies: Literature, poetry, opera, art, architecture
Favorite restaurant: The Ledbury, Notting Hill, London
Favorite holiday destination: Las Alamandas, Mexico
Book currently reading: Re-reading "Herzog" by Saul Bellow and "The Narrow Road to the Deep North" by Richard Flanagan
## CALENDAR

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<tr>
<td>Jan. 19-21</td>
<td>HFM European Investor Intelligence Summit 2015</td>
<td>&quot;Unique opportunity to meet best in class hedge fund and alternative managers&quot;</td>
<td>Four Seasons Hampshire</td>
<td>Strictly by invitation only</td>
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<td>Jan. 28</td>
<td>EuroHedge Awards 2014</td>
<td>&quot;Celebrating fund excellence in the European hedge fund industry&quot;</td>
<td>Grosvenor House Hotel, London</td>
<td>E-mail: <a href="mailto:mkaria@hedgefundintelligence.com">mkaria@hedgefundintelligence.com</a></td>
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<td>Feb. 3-5</td>
<td>AlphaScope</td>
<td>Jérôme Teiletche, Unigestion; Charles Stucke, Guggenheim Investment Advisors; Stuart Macdonald, Aquia Capital</td>
<td>InterContinental, Geneva</td>
<td>E-mail: <a href="mailto:info@icbi.co.uk">info@icbi.co.uk</a></td>
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<td>Feb. 9-10</td>
<td>European Family Office Winter Symposium</td>
<td>&quot;Explore the challenges and opportunities associated with investing in emerging markets, alternative investments, real estate, global credit &amp; fixed income markets&quot;</td>
<td>Hilton on Park Lane, London</td>
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<td>April 16</td>
<td>Volatility and Tail Risk Investing Educational Event</td>
<td>&quot;Bringing together global participants in volatility investing including managers, investors, academics and consultants&quot;</td>
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<td>April 28-29</td>
<td>The HedgeFund Intelligence European Summit 2015</td>
<td>&quot;Bring together hedge funds, funds of funds, end investors and intermediaries to discuss the critical issues and challenges which are shaping the industry&quot;</td>
<td>Palais de la Bourse, Paris</td>
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<td>June 3-4</td>
<td>European Family Office &amp; Private Wealth Management Forum</td>
<td>&quot;A private wealth series event&quot;</td>
<td>Amsterdam, Netherlands (Exact location TBC)</td>
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<td>June 22-24</td>
<td>The 21st Annual GAIM conference</td>
<td>&quot;120+ top industry speakers on allocation, the economy, markets and the hedge fund business&quot;</td>
<td>Le Meridien Beach Plaza, Monaco</td>
<td>E-mail: <a href="mailto:info@icbi.co.uk">info@icbi.co.uk</a></td>
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**Bloomberg Brief: Hedge Funds Europe**

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<tr>
<th><strong>Bloomberg Brief Executive Editor</strong></th>
<th>Ted Merz</th>
<th><a href="mailto:tmerz@bloomberg.net">tmerz@bloomberg.net</a></th>
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<tr>
<th><strong>Bloomberg Brief Managing Editor</strong></th>
<th>Jennifer Rossa</th>
<th><a href="mailto:jrossa@bloomberg.net">jrossa@bloomberg.net</a></th>
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<th><strong>Bloomberg News Managing Editor</strong></th>
<th>Edward Evans</th>
<th><a href="mailto:eevans3@bloomberg.net">eevans3@bloomberg.net</a></th>
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<td></td>
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| **Hedge Funds Editor**           | Darshini Shah | dshah165@bloomberg.net |
|                                  |               | +44-20-7392-0790      |

| **Contributing Editor**          | Nathaniel E. Baker | nbaker14@bloomberg.net |
|                                  |                   | +1-212-617-2741       |

| **Reporters**                    | Will Wainewright  | wwainewright@bloomberg.net |
|                                  |                   | +44-20-3525-9007        |

| **Contribution reporters:**      | Simone Foxman    | sfoxman4@bloomberg.net   |
|                                  |                  | +1-212-617-2052         |

| **Lindsay Fortado**              | lfortado@bloomberg.net |
|                                  | +44-20-3216-4806     |

| **Contributing Data Editors**    | Akiko Itano        | aitano1@bloomberg.net   |
|                                  |                   | +44-20-3216-4945       |

| **Newsletter Business Manager**  | Nick Ferris        | nferris2@bloomberg.net  |
|                                  |                   | +1-212-617-6975        |

| **Advertising**                  | Adrienne Bills    | abills1@bloomberg.net   |
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