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Hedge Fund ALERT

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THE GRAPEVINE

BlueCrest Capital has hired a portfolio manager. **James Shears** arrived in the firm's Isle of Jersey headquarters in January from a similar post at **Brevan Howard Asset Management,** where he had worked since 2006. BlueCrest operated as a hedge fund manager until late 2015, when the once-$8 billion firm began converting to a family office for founder **Michael Platt.**

Global-macro firm **Graticule Asset Management Asia** has brought in a managing director. **Paul Oppenheim** arrived in the Singapore operation's New York office in January. He previously worked as a portfolio manager at technology-company investor **Unterberg Capital,** by way of that operation's spinoff from **Diker Management,** where he started in 2011. Oppenheim also has

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Aon Hewitt Eyes Gemini's Account Platform

Aon Hewitt Investment plans to expand its nascent managed-account business by absorbing a similar platform run by hedge fund-services firm **Gemini Cos.**

Sources said the two companies are in talks about a transaction under which Aon Hewitt would fold the Gemini unit, Gemini Galaxy Plus, into a managed-account program it launched last year dubbed Vision. Both Vision and Gemini Galaxy Plus offer investors streamlined access to a diverse mix of hedge fund managers and commodity trading advisors who agree to run the money in separately managed accounts, rather than commingled funds. It's unclear how close Aon Hewitt is to a deal with Gemini, a Hauppauge, N.Y., company best known for its fund-administration business.

Aon Hewitt, of Lincolnshire, Ill., is the investment-advisory arm of London-based consulting giant Aon. Its Vision unit, which launched last year, invests on behalf of small and mid-size pensions and family offices, deploying their capital to

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Administrator Sours on Crypto-Fund Market

Hedge fund administrator **SS&C GlobeOp** appears to be pulling back from the fast-growing field of cryptocurrency funds.

Sources said SS&C had agreements in place to provide administration services to more than a dozen crypto-fund operators, but recently notified those managers that it would refer them to other firms with experience calculating net asset values and profits for digital-currency portfolios. Among the most active administrators in the crypto-fund market are **M.G. Stover, NAV Consulting** and **Trident Fund Services.**

Many hedge fund administration firms have shunned the cryptocurrency market because of the technological complexity and volatility of the asset class, as well as a lack of regulation. But why SS&C reversed course is unclear. Sources speculated the parent company, investment-technology giant SS&C Technologies, may want to focus on digesting a slew of recent acquisitions. Just last month, it agreed to acquire

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Marcato Trims Fees Following Banner Year

Activist fund shop **Marcato Capital** is reducing the fees it charges investors, despite a 2017 return that was its best in four years.

In a note to clients last month, investor-relations head **Brooke Beck** said the San Francisco firm would introduce new share classes both for its flagship fund, Marcato International, and Marcato Encore International, which mainly targets small-cap companies. While details are sketchy, the result for limited partners will be lower management fees than the current rates of 1.5% to 2%, depending on the share class.

At the same time, investors in share classes with longer-term lockups also will get a break on performance fees. From now on, they'll pay fees only on profits above an unspecified hurdle rate. Under the funds' existing terms, Marcato keeps 18-20% of limited partners' profits.

The move suggests investors continue to pressure managers for fee concessions

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Contrarian Investor Gaining Notice

A one-man shop that runs a small long/short equity fund is attracting outsized investor interest following two years of strong returns.

After gaining 34% last year, **Laughing Water Capital** is taking in money from a number of new limited partners, including a fund of funds and investment professionals who work at other fund-management firms. Recent contributions have boosted Laughing Water's assets to about $10 million. Meanwhile, founder **Matthew Sweeney** has been talking to three family offices about investing in the Laughing Water Capital fund.

One result of the heightened demand: Laughing Water soon will stop accepting capital for a share class that offers discounted fees in exchange for a long-term lockup.

In a letter to investors last month coinciding with the two-year anniversary of the fund, Sweeney said it has produced cumulative gross profits of 101.7%. The fund's net return for January was about 4%.

Sweeney said he has been particularly gratified by the attention he's getting from other hedge fund professionals who want exposure to his strategy.

"They are attracted to [Laughing Water] because they recognize that our small size and long-term focus give us a huge advantage vs. the larger funds where they are employed," he wrote. "These larger funds cannot participate in the hidden corners of the market, and often must pander to the short-term focus of the consultants that drive investment decisions at large institutions."

A disciple of **Benjamin Graham,** the father of value investing, Sweeney takes an aggressively contrarian approach to stock-picking. "Because they cover so many names, and have a positive opinion on almost all of them, [Wall Street analysts] are forced to label entirely sensible situations as buying opportunities," Sweeney wrote. "In contrast, we are not looking for sensible investments. We are looking for anomalies. In contrast to Wall Street, our typical investment thesis is, 'This makes no sense.' "

Laughing Water holds its investments for unusually long periods, typically five years or more. Consider a new position, **Tejon Ranch,** a real estate developer that owns the largest contiguous piece of land in California.

"It is true that Tejon is moving at a snail's pace in its quest to develop its real estate into three residential communities and a commerce center, largely due to the burdensome regulatory environment in California," Sweeney wrote. "Properly assessing Tejon's value requires a multi-decade view, which is impossible for almost all investors."

Other positions include pawn-shop lender **EZCORP,** video-on-demand provider **Gaia** and automaker **Fiat Chrysler.**

Laughing Water's capital-lockup terms are far lengthier than are typical for equity hedge funds. The soon-to-close share class locks up investors for five years, while charging fees equal to 1% of assets and 10% of profits. Limited partners also can opt for a three-year lockup, with fees of 1.125% and 15%, or a one-year lockup, with a more-standard fee structure of 1.25% and 20%.

"Our assets remain well below the level where they will hinder our performance, but they have surpassed the point where the long-term sustainability of our partnership is in question," Sweeney wrote. "As such, our lowest-fee option will be closing in the coming months."

Despite the fund's recent asset growth, Sweeney has no immediate plans to hire an analyst or other staff. He runs the fund from an office in Rockville Center, N.Y.

Before starting his own business, Sweeney was an equity sales trader at **Cantor Fitzgerald.** ❖

Ex-Pimco Trader Helms Equity Fund

A fund shop in Texas has tapped a former **Pimco** portfolio manager to run an equity fund.

Shorebird Capital of San Antonio launched Shorebird Avocet Fund this week with a small amount of capital. The long-biased vehicle targets both value stocks and special-situations plays.

The fund's portfolio manager, **Austin Graff,** worked at Pimco from 2012 to 2015, managing portfolios of dividend-paying stocks. He was one of two portfolio managers in charge of Pimco Global Dividend Fund, which wound down following his departure. Prior to Pimco, Graff spent six years at **Goldman Sachs** on the investment-banking side.

Graff's relationship with Shorebird is somewhat unusual. He is running the Avocet fund in partnership with Shorebird, rather than as an employee of the firm. Graff, who works in Austin, has complete discretion over the fund's investments, while Shorebird handles back-office operations and marketing. Graff has a revenue-sharing agreement with Shorebird's principals, **Byron Fields** and **George "Kam" Kronenberg.**

Shorebird, founded in 2016, runs another vehicle dubbed Shorebird Ibis Fund that had about $4 million of gross assets at the start of the year. Fields, the portfolio manager of the Ibis fund, also runs wealth-management firm **Titleist Asset Management.** ❖

Park Presidio Plans to Bar Entry

Park Presidio Capital soon will stop accepting new investors.

The San Francisco equity manager, which runs a single vehicle called Park Presidio Capital Master Fund, expects to halt fresh commitments during the third quarter. Existing limited partners still would be able to add to their interests.

The fund, which launched in December 2013, had $1.2 billion of gross assets at yearend 2016. Park Presidio typically hasn't employed an aggressive marketing approach and instead has relied mainly on referrals from existing investors, founders **Lee Hicks** and **Jan Koerner** wrote in a Feb. 7 letter to limited partners.

The fund has produced an annualized gain of 8.1% since inception, with a 17.1% rise in 2017 marking its best year ever. It also was up 2.7% in 2016, 4.5% in 2015 and 7.7% in 2014.

Park Presidio's long book drove last year's gains, with a gross return of 28.8%. That portfolio encompassed 40 investments, 33 of which were profitable, with an average gross exposure of 97%. Its top performers included **B&M European Retail Value** and **Visa.** The firm's short holdings lost 5.4% in 2017, with 13 of its 36 positions making money.

More recently, Park Presidio has increased its exposure to U.S. businesses that it sees as benefitting from the Tax Cuts and Jobs Act. At the same time, it has reduced its bets on non-U.S. companies. ❖

LPs Get Shot at Bourbon Strategy

Investment consultant **Agem Capital** is marketing a fund that gives new meaning to liquid assets.

The planned vehicle, Kentucky Bourbon Fund, would buy up to 80,000 barrels of newly distilled whiskey, then age the spirit for 3-4 years before selling it to a bottler. Agem, a London investment-banking boutique catering to fund managers and investors overseas, is telling prospective backers that the fund should generate a cumulative net return of 45%.

In a note to investors last week, Agem account manager **Grace Antal** said the fund is designed to capitalize on a supply shortage that has driven up bourbon prices in recent years. It is during the aging process that fine whiskey gains most of its value, she noted.

"Four-year aged Kentucky bourbon . . . has regularly sold for more than two times the original cost of production and carriage," Antal wrote.

It's unclear whether Agem is marketing the fund on behalf of a U.S. manager or is playing the role of general partner itself. Antal's note suggests the vehicle would have fairly typical liquidity terms for a hedge fund, despite the plan to hold on to the assets for 3-4 years. "The fund can liquidate some or all of the assets at any time," she said.

Agem is led by managing director **Peter Solymar** and chief strategy advisor **Mack Konishi,** who previously ran an Isle of Jersey firm that advised clients on hedge fund investments. ❖

Axonic Fund Seeking Fresh Capital

Axonic Capital is expanding the scope of a fund that invests in commercial real estate debt.

The vehicle, Axonic Special Opportunities SBL Fund, currently has about $435 million under management through a portfolio that invests in the first-loss pieces of commercial mortgage-backed securities issued by **Freddie Mac.** Now, Axonic is pushing to raise another $300 million of equity for the fund, which it would use to begin originating mezzanine loans on various types of commercial properties while continuing to purchase the first-loss, or B-pieces, of Freddie deals.

Axonic, led by former **Goldman Sachs** executive **Clayton DeGiacinto,** runs $2.2 billion overall through a mix of structured-credit investments. Special Opportunities SBL Fund, which launched in September 2016, gained 12% last year. Using a modest amount of leverage, the fund has purchased more than $500 million of Freddie B-pieces — mostly from the agency's small-balance loan program, which securitizes mortgages of $1 million to $7.5 million on multi-family properties. Across its funds, Axonic has invested more than $750 million in the B-pieces of Freddie's commercial mortgage securitizations.

Axonic also has invested more than $1 billion in purchases of mezzanine loans and bonds from single-borrower commercial MBS deals, according to marketing materials for the fund. The marketing effort first was reported by sister publication **Commercial Mortgage Alert.**

The fund charges a 1.5% management fee and keeps 15% of investors' profits. Limited partners are subject to a one-year "hard" lockup and a "soft" lockup in year two, during which time the manager charges a 5% early-withdrawal fee. Thereafter, investors can redeem quarterly with notice of 180 days. ❖

Hedge Fund Performance

	Jan. Return (%)	2017 Return (%)
BENCHMARK INDICES		
S&P 500	5.7	21.8
Russell 2000	2.6	14.7
MSCI EAFE (Europe, Australia, Far East: net)	5.0	25.0
Barclays Aggregate Bond	-1.2	3.5
Barclay Hedge Fund Index	**2.1**	**10.5**
3,000+ funds (unweighted)		
Credit Suisse Hedge Fund Index	**2.7**	**7.1**
5,000+ funds (weighted)		
Eurekahedge Hedge Fund Index	**2.1**	**8.7**
2,700+ funds (unweighted)		
HedgeAlytix (CogentHedge)	**3.2**	**8.0**
600+ funds (unweighted)		
Arbitrage	1.3	3.1
Event-driven	3.4	6.3
Fixed income	0.8	5.5
Global macro	-0.5	-1.5
Long/short	2.5	12.7
Multi-fund	3.7	8.2
Regional	4.3	14.4
Sector	2.2	13.4
Trading	5.4	1.6
HFM (Hedge Fund Intelligence)	**1.5**	**6.7**
7,000+ funds (unweighted)		
HFN Hedge Fund Aggregate Average	**2.3**	**8.8**
4,900+ funds (unweighted)		
HFRI Fund Weighted Composite	**2.7**	**8.5**
2,000+ funds (weighted)		
Prequin Hedge Fund Analyst	**2.2**	**11.4**
4,500+ funds (unweighted)		

Loan-Rehab Strategy Drawing LPs

A firm that invests in nonperforming home loans has pending subscriptions that will more than double the assets in its hedge fund.

DRI Fund of West Palm Beach, Fla., will soon take in fresh capital totaling $35 million for its DRI Mortgage Opportunity Fund, which currently has $30 million under management. The manager aims to raise a total of $200 million for the vehicle, which launched in September 2017.

The fund buys "zombie" mortgages — whose borrowers are deep under water and haven't made payments in several years — at steep discounts to the balances owed. DRI works with borrowers to lower their monthly payments to a level where they can begin paying again, then seeks to sell the rehabilitated loans at a profit. DRI is telling prospective investors they can expect annualized net returns of 14-17%.

This month, the fund purchased nonperforming mortgages with principal balances totaling more than $9 million. The loans have been in default for an average of five years.

DRI is led by **Christopher Aldridge, Jeffrey Kirsch** and **Steven Kirsch.** The firm is licensed by the **U.S. Treasury Department** as a Community Development Financial Institution, a certification that allows it to originate home loans to low- and moderate-income borrowers. That side of the business, run from an office in Southfield, Mich., has a portfolio of mortgages valued at about $10 million.

Before launching DRI in 2010, Jeffrey Kirsch was a managing principal at **American Residential Equities** of Miami. His son, Steven Kirsch, worked at real estate private equity shop **Westbourne Capital** of Los Angeles. Aldridge's background is in community development, including positions at several regional banks. ❖

Correction

A Feb. 14 article, "Boothbay Offering Hits Capacity," mischaracterized the role **Boothbay Fund Management** founder **Ari Glass** played at his prior employer, **Intrepid Capital.** He was chief operating officer at Intrepid, not president. ❖

Ex-Bain Manager to Trade Again

A **Bain Capital** alumnus has hung his own shingle.

Dennis Goldstein formed his Boston-based **Rip Road Capital** in December. He presumably will invest in retail and consumer stocks, as he did at Bain.

Goldstein worked at the private equity giant from January 2002 to June 2016 as a member of a hedge fund unit that at the time was known as **Brookside Capital.** His exit came shortly before the resignation of Brookside head **Ted Pappendick,** and just after the firm combined Brookside with affiliate **Sankaty Advisors** to create an operation called Bain Capital Public Equity.

That division had $3 billion under management at yearend 2016.

Before joining Bain, Goldstein worked at **Boston Consulting** and **Morgan Stanley.**

Also on board at Rip Road is an unidentified chief operating officer, whom one source described as well-known in the industry.

Rip Road's launch comes after two of Goldstein's colleagues from Brookside set up their own firms, both in July. **Anand More** started an equity-focused hedge fund shop called **Saya Management** with $100 million. And **Fernando Vigil** formed a private equity firm dubbed **Teca Partners.** ❖

Energy Specialists Prep Offering

Two long-time energy investors are starting a hedge fund.

Led by **Hugh Anderson** and **John Reilly**, **Anderson Reilly Energy Investors** of New York will trade the equity and debt of companies in the oil and gas sectors, with the aim of generating profits regardless of whether energy prices are rising or falling. It's unclear when they plan to launch, or how much day-one capital they hope to raise.

Anderson, the firm's chief investment officer, previously was a senior portfolio manager at **Lombard Odier Investment** from 2013 to 2016. He earlier worked at **SAC Capital** unit **Sigma Capital** and at **Stadia Capital.**

Reilly, whose title is head of research, had been a co-founder of **South Ferry Capital,** a New York fund shop that closed several years ago. He previously worked at Sigma Capital, where he overlapped with Anderson from 2007 to 2010.

Earlier on, Reilly worked at **Farallon Capital,** and was part of a group that split from the San Francisco firm in 2002 to form **Watershed Asset Management,** also of San Francisco. ❖

Macro Manager Pooling Capital

Global-macro shop **RidgePath Capital** is marketing its first commingled fund.

The vehicle, RidgePath Absolute Return, is slated to launch this year. Capital-raising efforts began at **Context Summits'** "Miami 2018" conference, which took place Jan. 31-Feb. 2.

Chris Rae of **Elevation Marketing** is handling placement-agent duties.

RidgePath Absolute Return would follow a thematic approach similar to that of a separate-account program called RidgePath Global Risk Focused Total Return that debuted in 2016. The strategy produced a 3.5% return in 2016, topping a 0.3% rise in the HFR Macro: Discretionary Thematic Index. It also was up 7.1% in 2017, when the index was flat.

Some key differences: The fund would take more short positions than the separate accounts. And it would use a full range of leverage products, while the separate accounts employ a modest amount of leverage through exchange-traded funds.

RidgePath's investments are overseen by **Justin Greenhill,** who previously worked at wealth manager **Capital Investment Group** and proprietary investor **Grasshopper.** Founder **Sam Pressley,** also formerly of Capital Investment, is in charge of the Knoxville, Tenn., firm's operations. ❖

Service Firms Target Crypto Startups

Three hedge fund service providers are contributing to a new business designed to simplify the task of launching a cryptocurrency fund.

The Cayman Islands arm of auditor **KPMG,** fund administrator **Trident Fund Services** and law firm **Appleby** have signed on to NexGen Fund Platform, which promises to expedite the startup process for crypto-fund managers. Coordinating the effort is **NexGen Management,** a Cayman Islands affiliate of Luxembourg fund operator **FMG Group.**

NexGen Fund Platform offers one-stop shopping for crypto-fund startups in need of fund-formation, accounting and investor-reporting services. Also contributing to the effort is an undisclosed Luxembourg bank that is willing to handle cash accounts for fund operators — a service many U.S. banks have been hesitant to offer to cryptocurrency funds.

NexGen, which launched last month, has 10 clients in the pipeline, including two that are expected to begin trading by the end of the first quarter. NexGen is willing to work with managers running a range of strategies, including arbitrage and long-only, as long as they limit their investments to the most liquid digital currencies.

On its own, Trident began offering administration services to crypto-fund managers about a year ago. The firm recently purchased an accounting program from software developer **Libra** that's specifically designed for digital-currency portfolios.

"We view cryptocurrencies as just another asset class," said Trident global director **Thalius Hecksher.**

Overall, Trident has about $40 billion of assets under administration. ❖

CALENDAR

Main Events

Dates	Event	Location	Organizer	Information
April 17	Context NYC 2018	New York	Context Summits	www.contextsummits.com
April 23	Sohn New York	New York	Sohn Conf. Foundation	www.sohnconference.org
May 8-10	Context Leadership Summit Las Vegas 2018	Las Vegas	Context Summits	www.contextsummits.com
May 14-16	Context Summits Europe 2018	Barcelona	Context Summits	www.contextsummits.com
July 18	Delivering Alpha	New York	CNBC, Institutional Inv.	www.delivering alpha.com
Sept. 26-28	Context Summits West 2018	Dana Point, Calif.	Context Summits	www.contextsummits.com
Nov. 5-6	Gaining the Edge-Hedge Fund Leadership Summit	New York	Agecroft Partners	www.apgainingtheedge.com

Events in US

Dates	Event	Location	Organizer	Information
Feb. 26	Life Settlement Institutional Investor Conference	New York	LISA	www.lisa.org
Feb. 27	Meet the Manager Capital Introduction Event	New York	FBN Securities	hedgenexus.com/users/register
March 1	Family Office Winter Forum	New York	Opal Group	www.opagroup.net
March 1	Institutional Inv.Seeking Alpha-Focus on Insurance Co.	Greenwich, Conn.	CTHFA	www.cthedge.org
March 2	Inv. Opportunities in US Commercial Real Estate	New York	Peltz International	peltzinternational.com
March 5	Cap Intro: Credit-Fixed Income Alternative Investing	New York	Catalyst Financial	catalystforum.com
March 6-7	Americas Families in Business Conference	Miami	Campden Events	www.campdenconferences.com
March 6-7	Risk Convention 2018	New York	GARP	www.garp.org
March 7-8	Hedge Fund Strategies, Tech. & Risk Mgmt.	San Francisco	Talking Hedge Events	talkinghedgeevents.com
March 8	Legal & Compliance 2018 Conference	New York	MFA	www.managedfunds.org
March 13	Battle of the CRYPTOS	New York	Global Capital Acq.	www.battlecryptos.com
March 13-14	UCITS & AIFMD for US Managers 2018	New York	KNect365	www.knect365.com
March 14-16	Puerto Crypto Conference	San Juan, Puerto Rico	Bitcoin Exchange	Bitcoinexchangeguide.com
March 26-27	InvestOps USA	Tampa	WBR	www.wbresearch.com
March 26-28	2018 Spring Conference	Orlando	ADISA	www.adisa.org
April 11-12	Finadium Investors in Securities Lending	New York	Finadium	www.finadium.com
April 17	Active Passive Investor Summit	New York	13D Monitor	www.13dmonitorconference.com
April 18	Ind. Sponsors & Capital Providers Dealmakers Meeting	New York	iGlobal Forum	www.iglobalforum.com
April 19	Synchronize 2018	New York	IMN	www.imn.org
April 22-24	Impact Investing Forum 2018	West Palm Beach, Fla.	Opal Group	www.opalgroup.net
April 23	Texas Family Office & Wealth Management	Houston	DC Finance	www.dc-finance.com
April 23-24	Sub-Advised Funds Forum	New York	FRA	www.frallc.com
April 24	Santangel's Roundtable	New York	Santangel's Review	www.santangelsreview.com
April 25	Family Office Investments in Innovative Technologies	New York	DC Finance	www.dc-finance.com
April 26	Alternative Investing in Today's Environment	New York	Peltz International	peltzinternational.com
April 27-28	Quantcon NYC 2018	New York	Quantopian	www.quantopian.com

Events Outside US

Dates	Event	Location	Organizer	Information
Feb. 26-27	European Family Office Winter Symposium 2018	London	Opal Group	www.opalgroup.net
Feb. 27-28	World Exchange Congress	Muscat, Oman	Terrapinn	www.terrapinn.com
March 12	Fundamentals of Investment Management	London	Fitch Learning	www.fitchlearnging.com
March 13-14	TSAM London	London	Osney Media	www.tsamlondon.com
March 14-15	Blockchain in Finance	Amsterdam	Fleming Events	fleming.events
March 19-20	Global Policy & Regulatory Forum	Dublin	AIMA	www.aima.org
March 19-21	Practical KVA & CVA Forum	London	Marcus Evans	www.marcusevans.com
March 21-22	Impact Investing World Forum 2018	London	World Media Online	impactinvestingconferences.com

To view the complete conference calendar, visit the Market section of HFAlert.com

Financial-Stock Shop Up and Running

Shoals Capital has started trading its debut hedge fund.

The event-driven vehicle, Shoals Financials Opportunity Master Fund, launched on Feb. 1 with an estimated $60 million. It aims to keep a low net exposure while taking long and short positions in the debt and equity of financial companies, along with some real estate businesses.

Shoals is led by chief investment officer **Jeffrey Hinkle.** He most recently handled fixed-income investments at **EFJ Capital,** a debt-fund operator that was managing $8.2 billion of gross assets at yearend 2016. His former employers also include **Barrier Capital, Navigant Consulting, FBR** and **Arthur Andersen.**

Hinkle is joined at Shoals by a number of other EFJ alumni, including senior analyst **Alexander Leanos** and senior managing directors **Gabriel Poggi** and **Mike Turner.** Leanos most recently worked at **Echelon Asset Management,** while Poggi and Turner came directly from EFJ. Poggi and Turner both have worked at FBR as well, with Turner more recently having spent time at **Compass Point Research & Trading, Hovde Capital** and **Barrier.**

Also on board at the Arlingotn, Va., firm is head trader **Steve Logan,** who earlier worked at **Luxor Capital** and **Peak6 Investments. Raymond Waterhouse** is head of operations and chief financial officer. His former employers include **Magnitude Capital** and **Deerfield Capital.** ❖

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despite improved performance last year. "We structured this offering after discussions with our largest investors and consultant relationships," Beck noted.

An annual survey of hedge fund investors published by **Deutsche Bank** last week found management and performance fees continued to fall last year, even as hedge funds met investors' return targets for the first time in four years. The average management fee dropped to 1.53%, from 1.69% three years earlier, while the average performance fee was down 78 bp to 17.3%.

Marcato International returned 25.8% last year, the second-best performance among 29 event-driven funds tracked by **HSBC.** It was the fund's best result since 2013. Marcato Encore International rose 22.6%, its best showing since inception in June 2015.

The San Francisco firm, led by **Richard "Mick" McGuire,** reported running $1.4 billion of gross assets at yearend 2016. ❖

Crypto ... From Page 1

DST Systems, a wealth-management technology company, for $5.4 billion.

A spokesperson for SS&C declined to comment.

SS&C GlobeOp ranks second among hedge fund administrators with a little more than $1 trillion of assets under administration, according to **Hedge Fund Alert's** Manager Database. ❖

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about 50 mid-size hedge fund managers with assets of less than $2 billion.

Gemini started its managed-account program in 2014 after hiring **David Young,** who previously was chief operating officer at **AlphaMetrix.** That Chicago firm deployed capital to commodity-trading advisors via managed accounts, but it collapsed in 2013 after being accused by regulators of misappropriating client funds. The firm settled with the **CFTC** in December 2014, agreeing to pay $5.6 million in penalties.

Gemini Galaxy Plus has nearly $1 billion under management — most of it from the $30 billion **Iowa Pension Employee Retirement,** a source said. Pressure to unload the business has come from investors who are concerned about Gemini's dual role both as sponsor of the program and administrator of the accounts. Under the pending transaction, Aon Hewitt would have sole responsibility for manager selection, while Gemini would serve as administrator of the expanded platform.

Gemini earlier was in talks with multi-manager shop **Kenmar Olympia** about a similar transaction, but a deal never materialized, the source said. Kenmar runs a managed-account platform dubbed Clarity.

"Consolidation among managed-account platforms seems inevitable to drive marginal costs lower in order to attract new clients," a source said.

Gemini traces its roots to 1983, when it started out as a mutual fund-accounting business called **American Data Services.** The firm is owned by private equity manager **TA Associates.**

Aon Hewitt advises clients on more than $4 trillion of non-discretionary assets globally, while also managing about $100 billion on a discretionary basis. Its emergence as an alternative-investment advisor stems from its 2010 acquisition of benefits consultant **Hewitt,** which at the time was absorbing **Ennis Knupp & Associates,** a Chicago investment-advisory giant. Last year, Aon Hewitt acquired **Townsend Group,** which advises pensions and other institutional clients on commercial real estate investments. ❖

LATEST LAUNCHES

Fund	Portfolio managers, Management company	Strategy	Service providers	Launch	Equity at Launch (Mil.)
Shoals Financials Opportunity Master Fund Domicile: U.S. and Cayman Islands ☛See Page 9	Jeffrey Hinkle Shoals Capital, Arlington, Va. 703-763-0925	Event driven: financial and real estate stocks	Prime broker: Goldman Sachs Auditor: Ernst & Young Administrator: HedgeServ Custodian: Northern Trust	Feb. 1	$60

To view all past Latest Launches entries, subscribers can click on the Databases tab at HFAlert.com

THE GRAPEVINE

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spent time at **Galleon Group, OMT Capital** and **Robertson Stephens.** Graticule is led by former **Fortress Investment** executive **Adam Levinson.** It had $4.5 billion under management on Jan. 31, 2017.

Leon Cooperman's Omega Advisors has hired an analyst. **Anthony Wang** joined the New York equity manager in January from **Archview Investment,** where he had worked since 2013 as an analyst covering distressed-debt plays. He also has spent time at **Barclays.** Omega had $3.7 billion under management on Jan. 31.

LUX Fund Technology has promoted co-founder **Mark Christine** to chief innovation officer, a newly created role in which he is responsible for research-and-development of new products. Christine had been serving as the New York firm's chief technology officer since arriving in 2012 from **Ryan Associates Technology.** That title now belongs to **Christopher Bloechle,** who just arrived from the top front-office information technology post at **Point72 Asset Management.** LUX's flagship product, Transcend, automates front-to-back-office processes for alternative asset managers.

Goldman Sachs has added an analyst to an alternative-investment team called Goldman Sachs Investment Partners. **Jack Mo,** who specializes in event-driven investments, arrived last month from a post covering special-situations and risk-arbitrage plays at **P. Schoenfeld Asset Management.** Mo also has worked at **Balyasny Asset Management** and **Perella Weinberg Partners.** Goldman Sachs Investment Partners is part of the bank's investment-management division, which runs more than $1 trillion.

Citadel equity-trading unit **Aptigon Capital** has hired an associate. The New York-based recruit, **John Teltsch,** arrived in January with a focus on financial-company stocks. He most recently had been employed at **Evercore** since 2013, and before that was at **HSBC.** Citadel has $27 billion under management.

Citadel Global Equities has enlisted an associate to cover financial-company stocks. **Francesco Di Giambattista** arrived in the Citadel unit's London office in January from **UBS,** where he had worked since 2015 as a researcher focused on bank stocks. His resume also includes stops at **Citigroup** and **Nomura.**

Analyst **David Lieberman** has left **Southpoint Capital.** The New York equity manager disclosed the move in a Jan. 30 letter to investors, adding that it also had awarded a partnership role to head trader **Adam Nemser.** Lieberman's plans are unknown. He joined Southpoint in 2004 from **Tiedemann Investment.** Nemser also started at Southpoint in 2004. Southpoint, led by **Josh Clark,** has $3.1 billion under management.

Investor-relations specialist **Stephen Holt** has left **Octagon Finance** to join the Washington office of Singapore-based debt investor **Orchard Global Asset Management.** Holt arrived in January at Orchard, an early investor in Octagon. He had started at Octagon in 2016, and before that was employed at **Horizon Group** and **M.Z. Berger.** Orchard had $2.2 billion under management at yearend 2016.

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