Temujin eyes $50 million start for Asia multi-strategy vehicle


Thomas Hoo

Temujin Global Asset Management, set up by highly rated Asian markets trader Thomas Hoo, is targeting a 1 January, 2009 launch for its Asia-focused multi-strategy fund with $50 million in assets. The firm has been running a model portfolio since 1 August, which has returned an impressive 20.03%, leading to a significant buzz in the market.

Hoo himself comes with a solid pedigree, having traded through the Asian financial crisis at JP Morgan. He subsequently held various senior positions at Deutsche Bank, including being head and chief trader of the bank's Global Credit Multi-strategy proprietary trading for Asia, heading Asian convertible sales and trading, and finally founding the bank's Principal Strategies Group in Asia, where he ran between $200 million and $250 million with average annual returns of 20%.

Temujin is the birth name of Genghis Khan – the Mongolian leader known for his military strategy and innovation in warfare and information gathering – traits that will be reflected in the fund's management style. The fund has three underlying strategies: Asian macro, fundamental equity long/short and equity derivatives.

The model portfolio uses 'dynamic capital allocation', a system Hoo used to great success at Deutsche Bank, which allows him to choose both markets and strategies. At present, the fund is overweight Asian macro and underweight equity long/short. The firm differentiates its model portfolio through a process whereby all trades are documented and verified and prospective investors are invited to do due diligence.

Raymond Li and Rick Hao, both Greater China veterans, are also founding partners at Temujin. The firm will leverage on the team's relationships with corporates and public sectors in China, Hong Kong and Vietnam to source IPO/PIPE deals.

EIP shows solid gains in most strategies, boosts operations

Hong Kong-based Enhanced Investment Products' EIP Overlay Fund, an Asia ex-Japan market neutral strategy, has played the significant market volatility this year to deliver a 14.01% strong gain between January and September 2008, making it one of the best performing funds in the current market.

Portfolio manager Tobias Bland, who ran JF's proprietary trading team before setting up EIP, credits the performance to gains from almost all underlying strategies, including delta one arbitrage, share class arbitrage, relative value arbitrage, convertible bond arbitrage, volatility trading, and equity long/shorts.

Delta one arbitrage and share class arbitrage, whereby the firm plays the divergence between different classes of shares of the same company, made the most money, but merger arbitrage in markets such as Taiwan and Hong Kong also contributed strongly.

The firm is now boosting operations by hiring David Lau as head of finance, administration and operations, and moving to larger offices in Wyndham Street in Central. It is also looking to hire a senior trader to support Bland.

Lau has worked with Goldman Sachs, Credit Suisse and HSBC. One of his first priorities has been the adoption of the TORA multi-broker trading application.

The firm has also implemented the Imagine trading system, an award-winning automated risk and portfolio management system.

LBN Advisers spices up China menu with long-only equity fund

Hong Kong-based LBN Advisers has launched Strategic China Panda Fund, a long-only China-focused absolute return fund, adding to its existing LBN China+ Opportunity equity long/short fund.

Running the funds is Lilian Co, the former star fund manager who ran the acclaimed Baring Hong Kong China Fund, which had $6 billion in assets when she left in 2007. Unlike conventional long-only funds, Strategic China Panda Fund can be 100% hedged using index futures.

The LBN China+ Opportunity fund, which was launched in November 2007, has had a strong run in recent months, up 3.47% in August and a further 5.20% in September 2008. The fund is up 25.80% from February to September 2008 and returns are flat since inception, compared to a 55.35% drop in the MSCI China index. Total firm AUM is over $50 million.

Good start for Chirin Asia absolute return

London and Singapore-based Chirin Capital has rolled out its Asian Absolute Alpha Fund with $10 million, delivering 0.5% in the first three weeks in markets that were down 20%.

The man behind the firm is 28-year Asian market veteran Martin Shenfield, who has run absolute return money for Fidelity International, Singer and Friedlander and TT International. In his team are John Witcher and Stewart Slater, with 25 years' experience in the region.

Capacity is $500 million, though a soft close may come at $300 million. The fund will invest in Asia ex-Japan including Australia and hedge the portfolio through futures, options and tactical cash weightings. The management team aims to relatively outperform the MSCI AC Asia Pacific ex-Japan index, while minimising downside volatility and preserving capital.

Given the early October meltdown, the team is spending time cherry-picking stocks to buy long-term. The fund is UCITS III-compliant and domiciled in Dublin.

Japan special sits strategy from Duet

London-based Duet Group, with $1.8 billion in assets, is launching a special situations fund that will invest primarily in distressed real estate in Japan.

Running the fund will be former Merrill Lynch veteran Shinji Yoshikawa, who will also head up Duet's new Singapore-based Duet Asia subsidiary. Yoshikawa headed the bank's Japan Principal Strategy and Special Situations group at Merrill Lynch in Tokyo.

Joining Yoshikawa from Merrill is Kosuke Kondo, who worked in the bank's Japan mortgage lending business. He joins Duet as senior investment analyst.