Peak Partners makes a clean break from Harcourt

by Amanda Williams Palmer

Fredric Rosset has ended his five-year joint venture arrangement with Harcourt Investment Capital. He has changed the name of his US$350m, Geneva-based company from Harcourt Partners to Peak Partners.

Ernesto Prado and Dominique Grandchamp have also joined Peak Partners from Harcourt. Prado will be chief investment officer and a member of the investment committee and Grandchamp will be a senior analyst.

Nikihil Jhangiani will be the administrator and a member of the investment committee. He was formerly chief alternative investment officer at Ferrier Lullin & Cie, which is now part of Julius Baer. Thierry Fragnière has joined Peak Partners as operations manager from EIM, where he was a senior middle-office officer.

Rosset said: "The timing is right to venture out on our own as Vontobel, a Swiss private bank, bought a 56% stake in Harcourt in December. We plan to make a third of the ownership of Peak Partners available to management employees."

Rosset: end of an era

Peak Partners is currently running five funds. Its sixth product is the Mont Blanc Dynamic Managed fund which will launch in Q1 2006.

The Dynamic Managed fund is a fund of hedge funds (FoHF) run by Nikihil Jhangiani. It is an equity FoHF which runs off the Hedge Funds Research (HFR) platform.

Rosset said: "We have a great relationship with HFR and it is able to offer us great liquidity. We can even add managers who we think are good to HFR's platform. Of course, we would have to have a minimum investment of US$5m to get them added but the option is there."

The Dynamic Managed fund is one of two sub-funds of the Mont Blanc Multi-Strategy Luxembourg Sicav. The other sub-fund is the Mont Blanc Fixed Income fund which is run by Prado, who ran a similar fund at Harcourt.

Rosset said: "Investors really liked that product but it was Cayman-domiciled and only offered quarterly liquidity. After talks with our investors we decided to domicile the fund closer to home, in Luxembourg, and we are offering monthly liquidity."

Another product set to launch in Q1 2006 is the Mont Blanc low volatility fund. Rosset described it as a low volatility fund which will incorporate 2x leveraging.

F&C Amethyst closes to new business

F&C Alternative Investments has closed its F&C Amethyst Fund to new investors. The fund, launched in January 2003, has raised €470m (US$567m) from institutional and professional investors.

Fernando Ribeiro, head of investments at F&C, said: "Closing our first single-strategy hedge fund demonstrates our continued commitment to growing our hedge fund business in a sustainable way. We are looking forward to adding new strategies to our range."

Alex Ingham Clark, marketing director of F&C, said: "We soft closed the fund to new investment at the start of 2004 after raising €250m, but we always believed, given the current conditions and contract liquidity, the optimal capacity was nearer €500m. We will monitor this situation as the market develops."

Part of the F&C Gemstone range, the F&C Amethyst Fund is an equity volatility trading fund managed by Stephen Dolbear.

The range includes a derivative strategy fund, the F&C Sapphire Fund managed by Stephen Crewe, and a European equity long/short fund called F&C Citrine managed by Frédéric Desage-Bonnet, both of which remain open for investment.

Petrodollars flow directly into hedge funds

Economists at the Bank for International Settlements (BIS) think petrodollars have been invested directly into hedge funds and private equity funds.

The BIS estimates almost 70%, or US$486bn, of cumulative investable funds from Organisation of Petroleum Exporting Countries (Opec) member countries cannot be identified in the most recent cycle – compared with 51%, or US$103bn, in the previous one.

One reason Patrick McGuire and Nikola Tarashev, BIS economists, give for the unaccounted assets is investment into hedge funds, which are not required to identify investors.

Petrodollars, US dollar payments to oil exporters, are required either to be spent on imports, or invested elsewhere in the world in the form of foreign direct investment, purchases of securities or placements in bank deposits.

Tarashev said: "There is no reason legally or otherwise that an Opec country should not invest in hedge funds, but this is a shift in investment behaviour from the previous oil boom.

"The hedge funds are also completely within their remits not to report who their investors are."

It is not only hedge funds that are benefiting from Opec petrodollars. Cross-border investment in regional stock and bond markets is likely to have become a more important outlet for petrodollars.

Many Middle-Eastern countries are, by some measures, experiencing an economic boom; the stock market indices in Saudi Arabia, Kuwait and the United Arab Emirates more than quadrupled between 31 December 2001 and 30 June 2005, according to the BIS.

Asia expert for Charlemagne

Charlemagne Capital has appointed Sangita Uberoi as its senior Asian portfolio manager.

Uberoi, who will report to Stefan Böttcher, director of portfolio management, has more than 13 years' market experience.

Prior to joining Charlemagne, an independent fund management group with over US$3.5bn in assets under management, she worked at BT Funds Management (later Deutsche Asset Management) as a portfolio manager and head of global consumer goods covering Europe, Australia, the Far East and emerging market equities in New York and London.

Julian Mayo, investment director of Charlemagne Capital, said: "Sangita knows the Asian markets very well, has a strong bottom-up background and is well-suited to our investment process."