



## Opalesque Exclusive: Peak Partners' hybrid emerging markets' FoFs gains 0.40% on its first month

From Precy Dumlao, Opalesque Asia:

[http://www.opalesque.com/63253/Peak\\_hybrid\\_emerging\\_FoFs\\_gains253.html](http://www.opalesque.com/63253/Peak_hybrid_emerging_FoFs_gains253.html)

Geneva-based investment manager [Peak Partners'](#) new hybrid fund of funds (FoHFs) the Granite Emerging Market Fund of Funds was off to a good start gaining +0.40% in February, one month after it was officially launched.

Peak Partners' CIO Nikhil Jhangiani, said in January the Fund would focus on the emerging markets as the firm sees growth opportunities in the lower debt to GDP ratio of these countries as compared to that of their developed counterparts. Lower debt means emerging economies will have less difficulty paying back creditors, Jhangiani added (See *Opalesque Exclusive*: [here](#)).

However, Peak Partners acknowledges that emerging markets tend to have bigger volatility compared to other economies, but adds that once a manager contains drawdown, huge profits are almost assured from the "only growth opportunities currently available."

In fact, hedge fund data provider Hedge Fund Research, Inc. (HFR), disclosed that emerging markets hedge funds [posted](#) industry-leading gains in 2010, and is seen to lead the industry this year. Emerging market funds were led by regional exposure to Russia and the Middle East, HFRI added.

The HFRI Emerging Markets (Total) Index returned +11.79% last year, topping the gain of +10.30% for the HFRI Fund Weighted Composite Index, the leading benchmark of global hedge fund industry performance. Asset inflows into emerging markets jumped by nearly \$10bn in Q4-10 to end the year at more than \$114bn.

At the same time, Peak Partners reported that its Mont Blanc Dynamic Management Fund returned 1.25% last month (+1.84% YTD) and has an annualized return of +12.26% since its inception in June-09.

In its communication with investors, Peak Partners revealed that Mont Blanc Dynamic Fund was included in the top 10 ranking amongst funds offering bi-monthly liquidity by the Invest Hedge USD Global Multi Strategy Annualized Compounded Return league table.

### 'Green product' to be launched

Peak Partners added that the firm is focusing on "green-themed" products as the planet cannot sustain its current rate of population growth, as well as sustain economic growth without introducing a dramatic change in managing the world's limited resources.

The firm revealed that it is planning to launch its first "green product" before the end of the first quarter of this year, although no exact date has yet been announced. The product is tentatively called the "Green Peaks" fund.

"Consequences of this over-exploitation – such as Climate Change - have prompted governments to address these issues now, as inaction is no longer an option. Other strategic issues are looming: the end of oil, clean water scarcity, etc. At Peak Partners we believe that sectors such as renewable energies, energy efficiency and water will be among

those that will experience dramatic growth over the next decade as massive infrastructure investments will be implemented on a global scale,” the firm’s statement pointed out.

But the firm also addressed some of the risks entailed in energy and water investing. “The Peak Partners investment team has leveraged its skill set to create an investment product that will provide access to the best managers in these sectors, together with enhanced liquidity and advanced risk management techniques in order to reduce volatility and drawdowns,” it added.

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**Contact:**

**Opalesque Support at [support@opalesque.com](mailto:support@opalesque.com) or +44 20 8144 4926, +1 914 619 5223**

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