OPALESQUE

new managers

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OPALESQUE'S EMERGING MANAGER MONITOR

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IN THIS ISSUE

Editorial

Opalesque New Managers is edited by Bailey McCann

Dear Opalesque Reader,

Welcome to the July issue of *New Managers!*

In **Bulletin**, a new fund that was up over 100% in the past 12 months as well as the state of hedge fund launches in the covid era.

In **Profiles**, we speak with Bellecapital about their European small and mid-cap fund. We also highlight FACT Capital, an all woman hedge fund that is focused on subsector specialization with low fees.

Hedge fund data provider **Eurekahedge** provides an infographic on trends in long only absolute return funds.

Marketing Challenge looks at how to restart hedge fund marketing during the slower summer months.

Perspectives looks at how hedge fund managers will have to respond to changes in due diligence as a result of the pandemic.

You will also find our usual roundups of the latest launches, deals, news and views pertinent to the emerging hedge fund community.

Don't forget, as a subscriber, you can access past issues of *New Managers* in our Archive here: **www.opalesque.com/Archive-New-Managers.html**.

Please contact me directly if you have any news or views to convey or if you want to contribute an article.

Bailey McCann
Editor
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Launches

1. South African financial services firm BACCI Investment Solutions has launched its first Ucits-compliant fund, with a global equity strategy being domiciled in Ireland. The fund, which will sit on the Prescient Global Funds Icav platform, aims to achieve long-term, sustainable returns by investing in high quality global equity stocks.

2. Schroders has filed an application with the Monetary Authority of Singapore (MAS) to launch a multi-asset fund that integrates ESG factors, according to the regulator's records. Once approved, the Schroder International Selection Fund (ISF) Sustainable Multi-Asset Income Fund will be available to retail investors in the Lion City. The fund is not yet available to accredited investors in Singapore as a restricted scheme, MAS records show. The fund is relatively new, having incepted in January, according to Bloomberg data.

3. Leading activist investor Franck Tuil, who surprised the hedge fund industry in April by leaving Elliott Management after nearly two decades there, is launching a London-based hedge fund - Financial News revealed. Tuil joined Elliott in 2001 as an analyst and rose to become a senior portfolio manager in Europe for the firm. He was a key member driving Elliott's European expansion, spearheading high-profile activist campaigns against companies including French drinks group Pernod Ricard, German chemicals and pharmaceutical group Bayer and French media conglomerate Vivendi.

4. D.E. Shaw has launched the latest iteration of its Alkali group of hedge funds. The multistrategy fund giant raised more than $618 million for D. E. Shaw Alkali International Fund V and D. E. Shaw Alkali Fund V, most of it invested in the former, according to separate regulatory filings.The firm is targeting $1 billion for the intermediate-duration credit-oriented funds, the latest in its Alkali series.

5. Canyon Partners has launched its second new hedge fund in two months to take advantage of the huge opportunity it sees in the credit markets. The credit-focused multistrategy firm raised $113 million for Canyon Structured Credit Opportunity Fund and on offshore version, according to regulatory filings.

6. Quant manager Mark Carhart is planning to start a hedge fund designed to profit from the transition to a lower-carbon economy. Carhart will launch the fund next month and run it with Bob Litterman, who is a co-founder of his $2.1 billion firm, Kepos Capital, and a government adviser on climate risks, according to a person with knowledge of the plans who asked not to be identified because the information is private.

7. BNP Paribas Asset Management (BNPP AM) announces the launch of BNP Paribas Environmental Absolute Return Thematic fund (EARTH), an equity long/short alternative UCITS strategy that seeks to identify opportunities among those companies that are facing or addressing significant environmental challenges. These challenges arise as the increased demand for food, water and energy resulting from forecast global population growth of two billion by 2050 will lead to increased waste production and carbon dioxide emissions, while the world is simultaneously targeting carbon neutrality by the same date under the terms of the Paris Agreement.

8. Louis Bacon, the billionaire founder of hedge fund manager Moore Capital who last year announced he would return money to outside investors, is investing $1bn of the firm's capital to back one of its managers striking out alone. Rami Abdel-Misih is set to spin out of Moore Capital, where he has been a portfolio manager for almost a decade, with his own long/short equity hedge fund as early as next year, according to sources with knowledge of the matter.

Bovell Global Macro Fund up over 100% past 12 months

Carcharodon Capital London, Investment Advisor to the Bovell Global Macro Fund, has seen their Fund return 102.23% after fees during the 12 months ending 30 June 2020. Following a return of -2.53% in June and thus ending a 12-month winning streak, the Fund is up 18.08% YTD.

The Fund employs a market-neutral, global macro strategy and executes trades on a wholly discretionary basis across spot FX, equity indices and hard commodities.

The Fund is operated by Nicholas Bovell who has over a decade's experience trading financial markets. Carcharodon Capital London is regulated by the UK FCA.

The Fund's strategy is to forecast and capitalise on moves in financial markets by monitoring macroeconomic data, central bank policy, geopolitical themes and other exogenous risk factors.

The Fund is nimble in its ability to adjust or reverse exposures in the face of new information.

During March the Fund returned 9.57% after fees by employing the time-tested edge of human foresight, Bovell told Opalesque. The bulk of the gains were earned from shorting major equity indices, commodity currencies and crude oil. The Fund started building risk-off positions in February as the virus expanded.

The Bovell Global Macro Fund is almost perfectly uncorrelated to traditional investments such as equities, with a correlation to the MSCI World Index of -0.06.

M. Knab

Hedge fund launches near record low in 1Q20

New hedge fund launches declined to a near-record low in 1Q20, as the beginning of the global coronavirus pandemic and ensuing lockdowns drove intense volatility across asset classes, steep equity market declines, and near-record lows in investor risk tolerance, according to the latest HFR Market Microstructure Report released today by HFR.

New hedge fund **launches** totaled an estimated 84 in 1Q20, the lowest quarterly estimate since the Financial Crisis in 4Q08. Despite the exponential increase in volatility over the prior quarter, the 1Q20 launch total was only slightly lower than the estimated 89 launches in 4Q19. As previously reported by HFR, launches for full-year 2019 totaled 480.

Fund **liquidations** surged to an estimated 305 in 1Q20, the highest liquidation total since 4Q15, and an increase of over 50 percent from the 198 liquidations from the prior quarter. An estimated 738 funds liquidated in 2019, exceeding the 2018 total of 659 liquidations, but falling slightly below the 2017 total of 784 liquidations.

The 1Q20 launch/liquidation totals represent the seventh consecutive quarter in which estimated liquidations outpaced launches.

The investable **HFRI 500 Fund Weighted Composite Index®** advanced +1.9 percent in May 2020, increasing its YTD return to -3.8 percent, which tops the -11.1 percent YTD decline of the DJIA through the first five months of the year. The HFRI 500 Event-Driven Index led strategy performance in May with a +2.95 percent gain, followed by the HFRI 500 Equity Hedge Index, which added +2.8 percent for the month. Over the first five months of the year, the HFRI 500 RV: Volatility Index led all strategy performance with a +9.9 percent return.

Hedge fund performance **dispersion** ballooned in 1Q20, with the average performance of both the top and bottom deciles falling as the coronavirus pandemic began. The top decile of HFRI constituents gained +15.5 percent in 1Q20, while the bottom decile fell -40.7 percent, resulting in a top/bottom dispersion of 56.2 percent. By way of comparison to the prior quarter, the top decile gained +16.8 percent in 4Q19, while the bottom decile fell only -6.5 percent, representing a top/bottom dispersion of 23.3 percent in the fourth quarter.

Average hedge fund management **fees** and incentive fees industry-wide each declined by 1 basis point from the prior quarter, falling to 1.38 percent and 16.40 percent in 1Q20, respectively, representing the lowest level for both fees since HFR began publishing these estimates.

For funds launched in 1Q20, the average management fee was an estimated 1.14 percent, a decrease from the 2019 average of 1.22 percent. The average incentive fee for funds launched in 1Q20 was an estimated 17.16 percent, also representing a decline from the prior year's estimated 17.44 percent fee.

"New fund launches fell to historic lows in 1Q20 as the coronavirus pandemic drove steep losses across global financial markets, despite strong outperformance of the HFRI throughout the pandemic volatility," stated Kenneth J. Heinz, President of HFR. "While the launch environment to begin 2020 has been extremely challenging as direct result of the drop in investor risk tolerance, institutional allocators which had reduced, eliminated, or failed to implement hedge funds or other risk-reducing alternative allocations were subjected to higher levels of portfolio volatility. As financial markets adjust to heightened levels of volatility over the intermediate term, we expect interest from forward-looking institutional investors to drive a more favorable launch environment through 2H20."

HFR® is the established global leader in the indexation, analysis and research of the global hedge fund industry.

B. G.

Top 10 best performing emerging managers based on returns over the last 12 months (for funds launched in the last two years)								
	Fund	**Last Twelve Months (%)**	**2020 (%)**	**2019 (%)**	**Annualised Standard Deviation (since fund's inception)**	**Fund Size Million**	**Management Company**	**Inception Date**
1	Delbrook Resource Opportunities Master Fund LP	94.08	66.79	45.81	27.38	9.5	Delbrook Capital Advisors Inc	Sep-18
2	For Your Lips Only Wine Fund	56.52	29.09	54.68	2.61	0.8	Vinito Capital Management LLC	Jan-19
3	Quadriga Igneo UCITS - Class A	56.24	49.45	-0.90	21.97	370.0	Quadriga Asset Managers SGIIC SA	Jul-18
4	Incu Global Ltd - Knight Mekong Strategy Fund - Class A	53.98	-1.46	56.26	58.54	30.1	Incu Capital Management Ltd	Jul-19
5	One Glass Is Not Enough Wine Fund	51.55	22.84	52.37	2.56	2.8	Vinito Capital Management LLC	Feb-19
6	Polar Star Spectrum Fund Ltd	40.17	40.12	6.89	21.48	26.4	Polar Star Management SEZC	Aug-18
7	VCM Multi-Strategy Fund	35.82	21.25	32.48	3.35	23.0	Vinito Capital Management LLC	Jan-19
8	Cayler Capital - Systematic Energy Diversified Program	33.66	37.11	6.97	18.55	3.5	Cayler Capital LLC	Jan-19
9	Cohalo Dynamic Volatility Strategies (DVS) SMA	30.60	40.87	-6.45	38.10	1.4	Cohalo Advisory LLC	Jul-18
10	East Sea Opportunities Fund - Class A	27.69	40.25	-3.83	24.01	95.7	East Sea Capital Management Ltd	Jan-19

Source: Eurekahedge
Data as of 16 July 2020

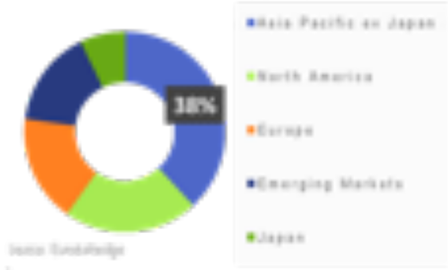
2020 KEY TRENDS IN LONG ONLY ABSOLUTE RETURN FUNDS

LONG-ONLY ABSOLUTE RETURN FUNDS AUM (2006 - 2020 YTD)

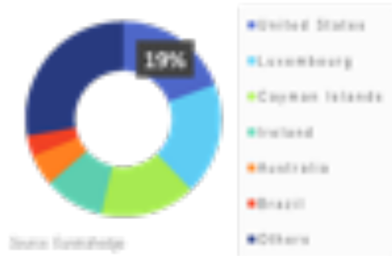
US$255 billion AUM **38%** ASIA EX-JAPAN MANDATE

US$3.9 billion investor inflows in 2019
US$15.0 billion investor outflows in 2020 YTD

AUM BY INVESTING GEOGRAPHY

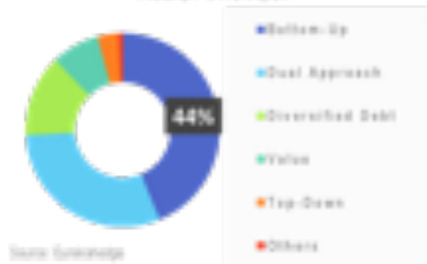


NUMBER OF FUNDS BY DOMICILE

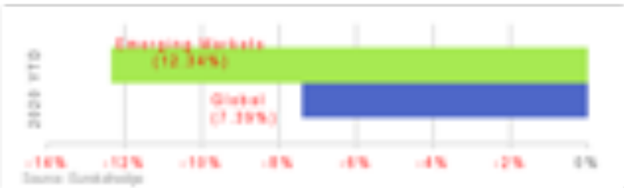


LAUNCHES AND CLOSURES SINCE 2008

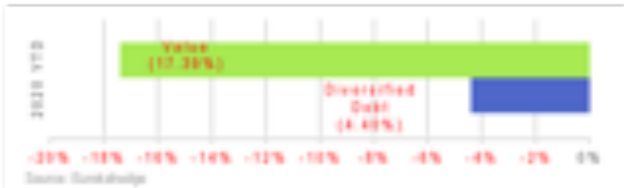
AUM BY STRATEGY



BEST AND WORST STRATEGIES, 2020



BEST AND WORST REGIONAL MANDATES, 2020



NUMBER OF FUNDS BY HEAD OFFICE LOCATION

Alpha Innovations launches portfolio manager platform for U.S.-based PM teams

Responding to a growing demand from investment managers for support, global asset management firm Alpha Innovations Ltd. said today it has launched its new AI Global Investors (AIGI) platform.

Lawrence Newhook

"More than 4,000 hedge funds have closed their doors in the last five years, setting loose a vast torrent of talent into the marketplace," AI CEO Lawrence Newhook said. "They're going out on their own and they need infrastructure. The new AI Global Investors platform provides that, speeding them to market."

"There's a big problem in the industry. The large shops have the infrastructure required to win mandates from institutional investors, but most haven't been putting up the returns. The smaller shops can put up the numbers, but don't have the infrastructure. We solve that problem."

"Smaller and independent PMs get the support they need to be attractive to investors and investors get access to PMs who produce stronger returns."

"The talent flight has been exacerbated by the pandemic but the pandemic has also created dislocations in the market which top PMs want to capitalize upon," Newhook said. "PMs want to get to market as quickly as possible given the opportunities they see, and investors want to put their money to work as soon as possible. For proven investment managers, AI Global Investors makes that happen."

AI's platform satisfies the stringent infrastructure requirements of institutional investors by providing an institutional-quality turnkey solution for PMs who want to focus on generating returns without the distractions of running an investment management business. The platform allows them to manage money within weeks rather than the months they would face if they had to build their own infrastructure, and at a lower cost due to economies of scale.

"Countless research papers show that smaller and emerging managers outperform their larger peers," said AI's Chief of Risk and Investment Sciences, Dr. Mark Antonio Awada, "but most institutional investors cannot invest in them due to the inherent risks of managers who don't have a robust infrastructure. Alpha Innovations was established to mitigate this risk, solving this problem and making high quality portfolio managers investible for institutions."

Dr. Mark Antonio Awada

"Preqin reported last year that investors 'systematically avoid early investments in hedge funds,' even though Preqin also reports that hedge funds often produce their best returns early on in their life cycle. What we're doing is accelerating the opportunity for elite PMs to access investors while at the top of the cycle."

Newhook said, "This gets rid of a big hurdle. The AIGI platform enables portfolio managers to get up and trading with managed accounts, stand-alone funds, or master-feeder structures quickly and inexpensively, complete with the support of top-shelf service providers typically out of the reach of all but the largest managers."

"We're already seeing tremendous interest from both new and established PMs that want to scale, and have been working hard to identify those which can meet our high bar. Right now we're on track to launch a new PM team every four weeks," said Gene Fisch, Jr., AI's CFO.

Gene J. Fisch, Jr.

Newhook added, "Investment managers enjoy another vital feature: they get to keep their own businesses and branding, which is of critical importance to many managers, but come to market quickly and with the requisite level of support needed to succeed."

AI launched in 2018 and creates bespoke multi-strategy funds and managed accounts for investors.

"AI continues to find and diligence investment talent," said Newhook. "While the platform is designed to make world-class managers' strategies available to investors, it also provides ready access to a stable of high-quality alphas from which we can create bespoke products to suit specific investor mandates."

In addition to serving as sub-advisor to Alpha Innovations, AI Global Investors will market strategies via managed accounts or funds on the platform to investors worldwide.

AI Global Investors (USA) is the first of several platform launches Alpha Innovations is planning, with similar Asia and Europe-based structures to follow in the future.

[Article link]

Bellecapital's Eiger Fund outperforms during a trying first year

A new fund is capitalizing on the opportunities in European small-cap and mid-cap equities. Zurich-based Bellecapital's Belle Core Europe Eiger Fund is coming up on its one year anniversary and is up 12.49% inception to date, according to a performance update for investors reviewed by Opalesque. The fundamental discretionary long/short equity strategy invests in European companies with a particular focus on Switzerland, Germany and the Nordics.

The fund is led by Ben Eichenberger, Thomas Fritz, and Pascal Kueenzi. The team first started working together at Vontobel Asset Management where they worked on small-cap strategies.

Undercovered opportunities

"We have been able to find opportunities with small European companies early in their lifecycle that aren't on anyone's radar screen, which have outperformed," says Thomas Fritz, executive director at Bellecapital International AG in an interview with Opalesque New Managers. According to Fritz, while many of the headlines coming out of Europe are negative they don't tell the full story. European small and mid-cap companies tend to be of higher quality and often outperform similarly sized companies in the US.

The Eiger Fund invests in all sectors, looking for companies that have high growth potential. There is limited coverage of European small and midcap companies and Fritz emphasizes that finding the right opportunities requires in-depth knowledge of management teams and business models. As with small and mid-cap companies in the US, these businesses are often sources of innovation which makes them targets for acquisition and also improves their growth prospects. Companies in sectors including life sciences, consumer products, and robotics have outperformed recently despite global uncertainty.

Aggressive risk management

The Eiger Fund's first year has been a bit of a ride. The fund launched in August 2019 during a generally positive time for equities only to experience the fastest bear market in history just a few months later. Performance dipped slightly in February and March but rebounded significantly in April and the fund is up 3.04% year to date through June. Fritz and Kueenzi chalk it up to an aggressive approach to risk management. Small and mid-cap companies tend to be more volatile even in the best of times so it was important to the investment team to have rules in place that would preserve capital. Those rules kicked in near the end of February and the fund was defensively positioned ahead of the drawdown in March.

The fund's approach to risk management helped to preserve capital and also brought some comfort to investors. The fund took in a significant mandate during the peak of the crisis amounting to 30% of the fund's current AUM.

As markets normalized, the investment team repositioned to take advantage of new opportunities and pick up some bargains. According to Fritz, the team is using data from the drawdown to re-examine company performance across its investment universe.

The fund portfolio typically includes 30-50 core positions and the investment team monitors what it calls a "farm team" of potential additions. "We're watching some smaller companies that performed well despite what was happening, which suggests they'll also do well and maybe even hit scale in the recovery," Fritz explains. The investment team is positive on companies in sectors like decarbonization and sustainable housing over the near term.

B. McCann

FACT Capital focuses on specialization

Joyce Meng

FACT Capital, a new long/short hedge fund with an all woman investment team is trying to change the industry. FACT stands for fairness, alignment, compounding, and transparency - values that govern the fund's approach to investing. According to founder Joyce Meng, FACT is designed to be an investor friendly hedge fund, offering an easy to understand strategy at a low cost.

"Our ethos is to have deeply-researched, fully-transparent portfolios at low fees and to treat our LPs the way we would want to be treated ourselves," Meng tells Opalesque New Managers.

The strategy - which launched in September 2019 - invests in China, India, and the US with a limited investment universe of approximately 215 names based on the subsector expertise of the investment team. Meng notes that she and partner Gretchen Guo are focused on what they view as high-growth areas including Chinese healthcare services, private sector financials in India or US consumer staples.

The long book is made up of a mix of established companies that have a proven track record of positive compounding alongside companies that may be newer but have a positive growth story. On the short side, the fund invests in single name shorts that the investment team believes are on a secular decline or have factors that will eventually lead to a downturn. Meng refers to the second group as "variant perception" shorts meaning that the investment team may be taking a contrarian view by including a company in its short book.

"We are seeing rich short opportunities right now," Meng says. "There are many disrupted business models out there and companies that are under pressure in the current market environment. So we're taking a close look." The fund took advantage of opportunities that arose during the downturn. After getting defensively positioned in March, Meng and Guo took stock of their portfolio positions and also launched an internal pandemic tracker. Looking ahead, Meng expects that there will be stock-specific alpha generation opportunities as markets work through what the global pandemic ultimately means for equities.

Alongside stock picking, Meng emphasizes the unique structure of FACT Capital. The fund offers a low management fee that steps down with AUM growth and has no performance fee. The full portfolio and risk metrics are always available to investors as well as research. "We really focus on transparency," Meng says. "I think of transparency as a form of accountability."

Ultimately, Meng and Guo want FACT Capital to be a fund that doesn't include a lot of guesswork for investors with mutual fund-like fees. Meng says that this approach changes some of the common practices within the hedge fund industry that frustrate investors including a large gross to net gap on returns as well as difficult to evaluate manager behavior. The approach also removes some of the hurdles that come with being an emerging hedge fund manager in a mature industry. The fee structure gives investors the option to try the strategy out without a lot of overhead.

The strategy, which is nearing its one-year milestone, is open to outside investors.

B. McCann

Investors rethink hedge fund allocations

Toby Goodworth

A new report from bfinance suggests that asset owners are maintaining a cautiously optimistic investment outlook despite uncertainty over the state of the global economy in the covid era. Bfinance spoke to 368 senior investors for the report. They represent pension schemes, insurers, endowments, foundations, family offices, sovereign wealth funds and other entities with combined invested assets of approximately $11 trillion.

According to the findings, 82% are happy with how their portfolios have performed so far. That said, there are some rough spots and hedge funds appear to be one of them. The report shows widespread frustration with hedge fund performance as well as the performance of emerging markets debt and risk premia strategies. 48% of investors in the report said they were dissatisfied with the performance of their hedge fund portfolios. 64% said they were dissatisfied with alternative risk premia and 53% of investors were dissatisfied with emerging markets debt.

"Within the hedge fund sector we have seen wide dispersion of manager returns both within and between strategies as a result of C-19 disruption," said Toby Goodworth, Head of Liquid Markets at bfinance. "The sheer speed of market dislocation in March meant all but the fastest trading-oriented strategies were effectively passengers through the turbulence. A number of high-profile names produced unexpected losses and failed to demonstrate the expected diversification behavior." Looking ahead, Goodworth expects to see some managers refocus and shift their approach in response to the current environment.

A hedge fund pivot may be too little too late, however. Bfinance data show that 19% of investors are terminating manager relationships based on recent performance. A further 35% are likely to do so. The likelihood of investor redemptions increases in some geographies. European investors are more likely to hang onto all of their incumbent managers while those in North America and the Asia-Pacific regions are more likely to be making terminations.

Redemptions aren't the only headwind for hedge fund managers. The report shows that investors are still divided on how best to conduct due diligence for new manager relationships. Family offices, endowments, and foundations in the report called the lack of in-person meetings a "major obstacle" for bringing on new managers. Larger investors also said that virtual meetings were challenging. Bfinance notes that investors are relying heavily on operational due diligence in lieu of in-person meetings. Managers that met with investors in person pre-pandemic may also have a leg up over those that are coming in cold.

As investors look toward the second half of the year, many of them are watching and waiting. The report notes that if some pandemic related trends like remote work become permanent, that could change the math for strategies like real estate or infrastructure. If these trends persist, investors could feel pressure to make tactical allocation adjustments in the second half of the year or in 2021.

The full report is available here.

B. McCann

GETTING SMART ABOUT YOUR MARKETING RESTART

Diane Harrison

As the nation slowly reopens businesses and the economy begins to percolate, consumers and investors are struggling to understand how the new norms and protocols for consumerism will affect us all. There are some ominous signs that big cities will suffer from more than viral fallout of stalled businesses, as political factors are also negatively impacting the fabric and infrastructure of urban living. Small businesses have been decimated by Covid-19, but all businesses will feel the burn of a general exodus from city living should enough people decide that virtual working can also mean a greener locale in the suburbs.

RESTARTING PRESENTS A WHOLE SET OF ISSUES TO TACKLE

Prior to the shutdown in March, only about 5.2% of the U.S. workforce was working from home. But the working model has changed suddenly and in a big way. In an April article by Richard Eisenberg in Forbes.com, '*Is Working From Home The Future of Work?' Gartner, a business research firm, reported that HR executives surveyed in March 2020 showed '76% said the top employee complaint during the pandemic has been "concerns from managers about the productivity or engagement of their teams when remote.'*

Gartner's survey findings also projected that close to half of employees would work remotely at least part of the time after the pandemic. This creates a set of challenges for businesses of all kinds to navigate through: issues of productivity, creativity, engagement, and client relationship management, not to mention profitability. For the financial industry, where marketing is a relationship-driven necessity, how will the new work situations impact fund managers and investors in building and maintaining the trust and service interaction so necessary to long-term success?

HARVARD'S RECOMMENDATION TO HAVE A 'HEART'

One solution is to break down some basic relationship management steps as described by the Harvard Business Review, which published an online article in April, 'Ensure That Your Customer Relationships Outlast Coronavirus.' As the article states: *Drawing on nearly 70 years of combined experience in business practice, research, and education, we have found that five key strategies help companies weather crises and preserve their bonds with consumers.* Let's take a look at their 5 strategic suggestions and how they might be adapted to the alternative asset community,

***HBR H**EART: Humanize your company—spell out the steps you are taking to help customers, employees, and other stakeholders. Your company's social media sites and customer mailing lists are ideal vehicles for doing this.*

For the investment fund community, clear and continual communication is paramount to preserving investor comfort with their fund managers. Stepping up on the frequency, the clarity of content, and the ways in which investment businesses share information with the investors they serve is going to remain a high focus in 2020 and beyond.

***HBR** H**E**ART: Educate about change—Tell them about all changes to your operation, including new hours, facility closures, staff reductions, customer service availability, and ordering options, among others.*

Focus on what is going on with your business— how you are adapting to the new business practices, what investment changes are or aren't happening and why, and how will you share information with your clients, Since they can't meet with you and there aren't large information gatherings being planned, written and video content becomes more important to keep a sense of community going.

HBR *HEA**R**T: **A**ssure stability—Elaborating these points of assurance is important in reminding consumers that your company's value proposition — your worth to them — transcends the obstacles imposed by this crisis.*

Some topics that will likely be of great interest to investors will be fund managers' outlook on the economic impact of the global pandemic, which threatens many sectors of the economy. How does that present opportunities and threats to the fund's focus and portfolio? Risk—the many forms of risk assessment each manager is evaluating and what plans are in place to address these. Operations—how are the vital processes being handled in a decentralized employee environment? As most practices are automated, it's more about employees supporting each other and working in virtual groups as needed.

HBR *HEA**R**T: **R**evolutionize offerings—Tell your existing customers how you are serving them in new ways. Reach out to potential customers by offering new products or services that solve a new problem.*

What can a fund manager do to reflect the new way of doing business? If you haven't had an existing practice of addressing client questions in a proactive way, consider instituting one. Appoint someone to be the Q&A ambassador in terms of gathering investor concerns and getting them the answers they desire. Some issues might be handled in a confidential way with individual investors, but others might be so general it will lead the business to address them on the website and provide updated information to all, giving all investors a sense of the proactive practice of sharing what's important to the client base.

HBR *HEAR**T: T**ackle the future—Highlight what your company has learned from the pandemic experience, as well as how these learnings might improve the way your company operates after the pandemic ends. That is, signal that your company will come out stronger on the other side of the storm.*

As each of the prior four steps are taken, keeping a Lessons Learned summary will prove helpful not only in getting through this particular challenge, but in providing a solid starting point for whatever might come next. Anticipation of future challenges will be easier to predict if there is someone in the firm, much like the Q&A ambassador, charged with organizing what you have addressed and made changes to as well as capturing potential challenges that come. Sharing success stories with your clients not only improves communication with them, but conveys a sense of optimism and adaptability that all of us are craving.

Diane Harrison

Diane Harrison is principal and owner of Panegyric Marketing, a strategic marketing communications firm founded in 2002 specializing in alternative assets. She has over 25 years' of expertise in hedge fund and private equity marketing, investor relations, articles, white papers, blog posts, and other thought leadership deliverables. 2019 AWARD WINNER: Global Business Insight's Most Innovative Wealth Management Company – U. S. | Acquisition International's Alternative Asset Communications Expert Of The Year- USA | Acquisition International's Best Specialist Marketing Communications Firm- Financial Services | Business Excellence Awards – Alternative Asset Communications Expert of the Year - USA 2018 AWARD WINNER: Acquisition International's Sustained Excellence in Specialized Marketing Communications - USA | Corporate Insider's Excellence in Marketing Communications – USA. | Acquisition International's Best Financial Services Marketing Firm – USA. A published author and speaker, Ms. Harrison's work has appeared in many industry publications, both in print and on-line. To read more of her published work in alternatives please visit www.scribd.com/dahhome.

Contact: dharrison@panegyricmarketing.com

or

visit www.panegyricmarketing.com.

DON'T MISS OUT

ACTION REQUIRED

OPALESQUE TV

Business decision makers LOVE online video because it gives them the most amount of information in the shortest amount of time.
– Bob Wies / President MV Digital

When done correctly, all you need is one video to build up highly targeted traffic for a really long time.
– Carey Lowe / Marketing Consultant

Video marketing is the most effective way for you to get someone's attention and engage them for a substantial period of time. Keeping someone engaged is the best and quickest way to gain their trust. Gaining trust is the only way to convert your audience into happy, long-term clients and customers.
– David Grimes / Marketing Manager

Video solidifies your online presence while building deep and meaningful relationships with your customers. It adds a personal touch to your brand while increasing your conversions! Videos are now an expected component of any website.
– Lilach Bullock / Marketing Consultant – Forbes top 20 women power influencers

It's more effective:

Video attracts two to three times as many monthly visitors, doubles their time spent on the site and has a 157% increase in organic traffic from search engines like Google.
– Marketing Sherpa

And more *cost effective*:

Video promotion is 600% more effective than print and direct mail combined.
– Diode Digital

One minute of video is worth 1.8 million words.
– Forrester Research

Video content can increase the chances of front page Google ranking by 53 times
– Cisco

And did you know that:

Online video is shared 1200% more times than links and text combined.
– Simply Measured

75% of executives watch videos while working.
– Forbes

"The Opalesque videos are a clever solution to the persistent problem of getting to know managers' style and philosophy within a dizzyingly large universe of possibilities and with increasingly limited time. More managers would be wise to step out of their 20th century shells to embrace the new economy of communication technology to find more efficient ways to convey their story and message to existing and prospective investors."

Adam Choppin, Manager Research & Investment Strategy of FIS Group

Opalesque videos are regularly featured among the best in any top 10 or top 20 hedge fund / investor video ranking, such as this one which lists 4 Opalesque videos out of a total recommended of 19 videos.

Opalesque started shooting manager videos in 2009 - you will probably know that **Julian Robertson, Izzy Englander, Jim Chanos, Jeffrey Ubben, Danny Yong, Elena Ambrosiadou,** and **many other hedge fund legends** have produced videos with Opalesque. We have also produced videos for some of the **biggest institutions** as well, such as **Morgan Stanley, State Street Global Advisors, M&G Investments.**

Save up to 50% in travel costs by making your first meeting the second one

Have you ever spent time and money to take a trip to present your fund, only to hear, *"Thank you for coming to our office, and please keep sending me your reports …"?*

What if you had known before that the investor is looking for something else?

By sending their video to prospects **before the meeting,** the manager wins twice. Should the investor be looking for something else, the manager can focus his efforts on those investors who watched the video **and liked** what they saw.

In these cases, managers tell us that the first real meeting becomes more like a 2nd meeting (the 1st one being the video) as the groundwork has been laid and the meeting will be much more successful and achieve much more compared to a regular first meeting. By better **qualifying your leads**, you can basically halve your travel budget and raise more assets quicker.

Working with a trusted partner

Over 1.2 million people have watched one or more Opalesque.TV videos, which means that the people you may be targeting will already be familiar with Opalesque.TV videos.

Managers like **Julian Robertson, Izzy Englander, Jim Chanos, Jeffrey Ubben, Elena Ambrosiadou, Anthony Scaramucci,** and many others have done Opalesque videos, as well as institutions like **Morgan Stanley, State Street Global Advisors, M&G Investments.**

You're in control

When you're doing a custom Opalesque.TV video, you have full control about any aspect of your message. This is not a given in any other regular media coverage.

A manager portrait on Opalesque.TV is generally designed to simulate a first time meeting with a prospective investor, meaning that questions like the following will be discussed:

- Please introduce yourself and your firm
- What is special about your strategy?
- How are you different from your competitors?
- What else is important regarding the asset class?
- Opportunities you focus on

Broad distribution

You can either produce a private video with us, which will only be hosted on the non-public part of your website, or we can offer you the broadest possible multi-channel distribution on Opalesque.TV and our partners like Reuters and other leading platforms. Contact us to discuss your custom distribution package.

Managers have **quadrupled assets** thanks to our video ($700m to $2.4bn in 1 year) and also received a book contract or **invitation to speak at the World Economic Forum or at TED** through our video:

- View count: Over 1.5 million views (hundreds of thousands of people)
- Thousands of investors will view your presentations
- Longterm effect: views do not drop significantly over time
- Without investing a single additional minute of your time - time required to record a video is approximately 90 minutes.

Costs

For a 10 minute video the all-inclusive package price is US$10,000 which includes: travel (Europe and NY tristate), full production at your office, multiple edits (cuts), provision of the final video file, and a global, multi channel distribution package. A 15 minute video is $15,000, so $1,000 will be billed for each additional minute above 10 minutes. The client determines the final length of the video.

Links

Opalesque.TV video which got 104 views over 2016 Christmas:
http://www.opalesque.tv/hedge-fund-videos/patrick-stutz/

Opalesque.TV videos sorted by number of views:
http://www.opalesque.tv/most-viewed-hedge-fund-videos/

Opalesque.TV videos sorted by number of social media shares:
http://www.opalesque.tv/most-shared-hedge-fund-videos/

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Document Disclosure

This newsletter is designed to include a wide variety of industry voices and information. To participate, send your news, events and viewpoints to gravrand@opalesque.com. To be considered for inclusion information must be factual, not promotional in nature and ideally address deep industry issues and reveal insight into how strategies operate, all delivered from a balanced perspective that addresses risk frank terms.

User agreement and confirmation of Qualified Eligible Person status

The user acknowledges and agrees to all of below:

User confirms that they are a Qualified Eligible Person as defined under the (CFTC) Regulation 4.7., because they are: Registered investment company; Bank; Insurance company; Employee benefit plan with >$5,000,000; Private business development company Organization described in Sec. 501(c)(3) of the Internal Revenue Code with >$5,000,000 in assets; Corporation, trust, partnership with >$5,000,000 not formed to invest in exempt pool; Person with net worth >$1,000,000; Person with net income >$200,000 each of last 2 yrs. or >$300,000 when combined with spouse; Pool, trust separate account, collective trust with >$5,000,000 in assets; User also confirms they meet the following Portfolio Requirement: Own securities with a market value >$2,000,000; Have had on deposit at FCM, in last 6 months, >$200,000 in margin and option premiums; Have combination of securities and FCM deposits. The percentages of required amounts must = 100%.

Opinions:

User represents themselves to be a sophisticated investor who understands volatility, risk and reward potential. User recognizes information presented is not a recommendation to invest, but rather a generic opinion, which may not have considered all risk factors.

User recognizes this web site and related communication substantially represent the opinions of the author and are not reflective of the opinions of any exchange, regulatory body, trading firm or brokerage firm, including Peregrine Financial Group. The opinions of the author may not be appropriate for all investors and there is no warrantee relative to the accuracy or completeness of same. The author may have conflicts of interest, a disclosure of which is available upon request.

RISK DISCLOSURE

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS. YOU COULD LOOSE ALL OF YOUR INVESTMENT OR MORE THAN YOU INITIALLY INVEST. IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS.

THE DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF THE PRINCIPAL RISK FACTORS AND EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR (“CTA”). THE REGULATIONS OF THE COMMODITY FUTURES TRADING COMMISSION (“CFTC”) REQUIRE THAT PROSPECTIVE CUSTOMERS OF A CTA RECEIVE A DISCLOSURE DOCUMENT WHEN THEY ARE SOLICITED TO ENTER INTO AN AGREEMENT WHEREBY THE CTA WILL DIRECT OR GUIDE THE CLIENT’S COMMODITY INTEREST TRADING AND THAT CERTAIN RISK FACTORS BE HIGHLIGHTED. THIS DOCUMENT IS READILY ACCESSIBLE AT THIS SITE. THIS BRIEF STATEMENT CANNOT DISCLOSE ALL OF THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. THEREFORE, YOU SHOULD PROCEED DIRECTLY TO THE DISCLOSURE DOCUMENT AND STUDY IT CAREFULLY TO DETERMINE WHETHER SUCH TRADING IS APPROPRIATE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION.

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