

Hedge Fund www.HFAlert.com ALERT

MAY 27, 2020

2 Southpoint Pro Maps Solo Venture

2 BitGo Touts 'Full-Service' Approach

3 Ex-Aegis Pro Offers Mining Play

4 Lone Pine Alum Waits Out Virus

5 Firm Targets Disruptor Companies

5 Natural-Resources Fund in Pipeline

6 CIBC: Managers Did Job in Crisis

4 INFLOWS/OUTFLOWS BY STRATEGY

7 LATEST LAUNCHES

THE GRAPEVINE

Crestline Investors has hired an associate portfolio manager to invest in the stocks of utility and infrastructure companies worldwide. **Ignacio Perez-Cossio** began working this month for the Fort Worth, Texas, firm, after serving as an analyst at **Lansdowne Partners** since 2016. His resume also includes stops at **Itau BBA** and **UBS**. Crestline specializes in debt and opportunistic investments and manages a multi-portfolio manager equity hedge fund. It was managing \$15.3 billion of gross assets at yearend 2019.

Balyasny Asset Management has picked up a pair of analysts who specialize in the stocks of technology companies. **Michael Magnell**, a senior analyst with a focus on companies that provide software and other services to businesses, started this

See GRAPEVINE on Back Page

Vendors Race to Arrange Virtual Meetings

With hedge fund operators unable to meet with investors and other industry contacts, companies that host virtual meetings are seizing on opportunities to keep them connected.

Like their peers in many fields, hedge fund professionals saw their usual business practices upended in March as the coronavirus crisis took hold. All in-person conferences were canceled, for example, as were marketing meetings and other on-site visits.

Now, with travel restrictions looking increasingly likely to extend in some form into 2021, a mix of technology companies and conference organizers are tailoring virtual meeting services for the sector. Take **Ron Biscardi**, who in March left his job as head of capital-introduction conference producer **Context Summits**. He is starting an enterprise called **iConnections** that promises to help financial-services companies communicate with customers.

The Gladwyne, Pa., operation will offer clients including banks, brokerage firms

See VENDORS on Page 6

Family Office Adds Investment Muscle

Family office **Merrimac Corp.** has hired two senior professionals to evaluate investments in hedge funds and other asset classes.

Iikka Anhava, formerly head of U.S. hedge fund research at **HSBC Global Asset Management**, joined the Stamford, Conn., operation this month as a managing director. So did **Nancy Sun**, who played a leading role within **UBS'** capital-introduction group.

Anhava and Sun both are tasked with identifying and reviewing a range of alternative investments at Merrimac, with sources describing their additions as intended to increase the capabilities of chief investment officer **Clark Cheng**.

While Merrimac's exact intentions are unknown, the additions could be in line with preparations by other family offices to carry on investment activities in the wake of the coronavirus crisis. Many of those operations have found it difficult to continue with their customary practices of pumping money into hedge funds in

See FAMILY on Page 5

Tice Betting Virus Will Boost Gold, Silver

Prominent stock market bear **David Tice** has lined up a bullish bet on precious metals companies via his latest hedge fund.

Tice this month partnered with precious metals specialist **Garic Moran** to form **Moran Tice Capital**, which will invest on the premise that the coronavirus pandemic will lead to a prolonged global recession and higher inflation. The new entity, which has begun trading, taps a number of investors from **TG Moran Capital**, a hedge fund firm Moran had been running since 2016.

Moran handles the bulk of the firm's trading from Atlanta, while Tice, based in Dallas, heads marketing.

Similar to his strategy at his predecessor firm, Moran takes long positions in the shares of companies involved in the supply chains for silver and gold — one area of his expertise. Tice chips in on the investment front by evaluating the stocks of companies

See TICE on Page 4

CIBC: Managers Did Job in Crisis

Wealthy families in Canada credit their alternative investments in part for protecting them from the worst of the coronavirus-related market collapse in the first quarter.

So says **CIBC's** prime-brokerage division, which surveyed 50 family-office clients in the Toronto bank's wealth practice. Those interviewed had a total of \$70 billion under management. The findings were distributed to investors and to a handful of U.S.-based hedge fund clients and prospective clients.

CIBC expanded its prime-brokerage unit into the U.S. in 2017. It has since accelerated that effort. Part of its pitch to managers is its network of ultra-wealthy clients.

"While not immune to market drawdowns, most were relatively well-positioned given the strategic and geographic diversification of their portfolios," the study said. "Many felt their commitment to alternative strategies had been validated."

CIBC surveyed the family-office clients in part to assess how much money they typically invest initially and over time. The survey also sought to examine the time horizon of those investments. Half of the respondents said their process took less than six months, while 28.6% took six months to a year and 21.4% took at least a year. The survey noted the process can move faster if a hedge fund founder has a big stake of his own in a vehicle.

In general, family offices expressed a preference to stagger allocations, starting with smaller sums and growing investments over time.

About two-thirds of single-family offices indicated an initial investment of \$2 million to 5 million. The majority of multi-family offices, meanwhile, started at about \$25 million. Investors said they ultimately expected to double, triple or quadruple those allocations from the point of inception.

For hedge funds to attract larger initial investments, the report found that managers must have robust governance, compliance and risk-monitoring programs — the hallmarks of what CIBC called "institutional infrastructure." ♦

Vendors ... From Page 1

and wealth managers a broad set of tools they can use to meet potential customers, manage documents and pitch their business virtually, both via quick discussions and large events.

Unlike Context, however, iConnections has no plans to run in-person conferences.

With demand for its virtual meeting services ballooning, meanwhile, **OpenExchange** set out in late April to raise \$20 million to \$40 million of fresh capital in a bid to expand. The injection would peg the Riverside, Conn., company's value at \$200 million, three times the level set in a capital-raising round in October.

OpenExchange specializes in arranging meetings between investment advisors and executives at companies they follow. It's on track to have hosted more than 24,000 meetings during the second quarter alone, up from 3,400 in all of 2019.

Lisa Vioni's Hedge Connection also is seeing sharply increased demand for its virtual cap-intro services. For example, the Bronxville, N.Y., firm expects to sign up some 400 investors and 100

managers for a June event it is arranging for Luxembourg administrator **IQ-EQ** and **Blue River Partners**, a back-office operation IQ-EQ is in the process of buying.

Hedge Connection has set up cap-intro events for **TD Bank** as well.

Also adjusting to a changing landscape is **InvestorSpeed-Dating.com**. The New York operation, led by SALT conference co-founder **Victor Park**, hosted a virtual event on May 21 with a focus on linking investors with managers of private credit funds. A September gathering, meanwhile, is set to pair in-person meetings in New York with a heavy online component. More than 250 hedge fund managers have signed up with Park's company, as have several hundred investors.

Context is in the act as well, using its Context 365 Online service to schedule one-on-one meetings throughout its "Context Summits Virtual Conference" on June 15-19 and June 29 to July 3.

The plans go beyond early moves in which event organizers responded to the pandemic by temporarily taking conference panel discussions and cap-intro events online. Rather, the operations are positioning their products and pitches to reflect a broader shift in how day-to-day exchanges take place, while in some cases acknowledging that the conference industry itself is in for a long-term diversion from its usual profit centers.

Indeed, while many fund operators have conducted meetings via **Zoom** or other low-cost services, there are signs that they'll pay more for industry-specific services equipped to handle the operational, technical and security aspects needed to reassure investors and efficiently share documents. OpenExchange founder **Mark Loehr**, for instance, characterized his company's capital-raising efforts as a recognition that business as usual won't resume anytime soon.

"Our backlog exploded about six weeks ago, with every single buy-side client saying, 'We are not going to conferences' and the sell side saying, 'We need to book you for the next nine months,'" Loehr said. And even once the pandemic subsides, he believes financial professionals will continue to favor services like his.

"Why would you go on the road for two weeks when you can do it all in 2.5 days? I've been dreaming about this for 10 years," he said, referring to the shift toward online meetings. "This is why I invented the company."

As for Biscardi, he left Context in March. Working with him as chief software architect at iConnections is **Christopher Altomare**, who formerly led Context's technology efforts, and **Julie Galdieri**, a speech coach who helps clients improve their presentations.

The first event for iConnections is a charitable event called Funds 4 Food that aims to raise donations from alternative-investment managers to help feed people who are going hungry as a result of the pandemic. In exchange, those managers will get opportunities to present their investment ideas to top-tier investors from June 15 to July 2 using iConnections' technology.

Among the investors are the **Hewlett Foundation** and the endowments of **Brown University**, **Cambridge University** and **Yale University**.

"The reality is we are going to have to get used to these virtual events," one prime-brokerage executive said. "I don't see people gathering in big events any time soon." ♦