

Henderson plans Japan-invested fund

Henderson Global Investors is apparently launching a new Japan-invested hedge fund focusing upon large and mid-cap stocks. The portfolio will be invested using a concentrated approach. It will be starting with assets under management of about \$200 million at the beginning of July. Sources say the fund will be closed at launch. The fund is being managed by William Garnett and Jeremy Hall who already manage the Henderson Japan Absolute Return Fund. This portfolio has an annual average return of 13.3% since its launch in July 2000. In the year to date, the fund has a highly creditable return of 5.5%.

Long/short is New Japan's first foray

Singapore-based New Japan International Capital Management, started by asset manager Takao Kurata and equity sales veteran



Takeo Furuya, has brought to the market its first offering, a long/short Japan fund.

The initial launch size is around \$10 million, and the firm expects to reach about \$30 million within the year.

Targeted returns for the first year are 20%-25% and expected volatility is 15%. Kurata brings 17 years' experience to the table, having retired in 2005 as CIO in charge of active fund management and company research at Shinko Investment Trust Management. Furuya has held positions such as head of foreign equities sales at Jardine Fleming Securities in Tokyo and combines 30 years' marketing experience with about seven years of global equities and bonds experience.

Ex-Dynasty team join Mullen at Emperor for new China launch

Edward Mullen, the founder of Shanghai-based Dynasty Asset Management, has roped in the original Dynasty portfolio management team to set up a new China-focused asset management firm called Emperor Investment Management. It is launching its first fund, a long/short equity hedge vehicle with a focus on large-cap Chinese and China-related securities in June. The fund is expected to start with \$10-\$50 million.

Mullen started Dynasty in 2000 along with a local partner Dai Hongzhou. Dynasty managed \$200 million in assets at one point, but by early 2004 its original portfolio management and research team had left to manage assets for a private Chinese investor, which returned 21.8% in

2004, 28.8% in 2005 and 37.33% in the year to date. The team stayed in close touch with Mullen through this period and will now manage the Emperor Greater China Fund, after joining him at Emperor officially. Mullen is still involved as a director with Dynasty, but not on the portfolio management side. Dai Hongzhou heads up the latter.

The new Emperor fund invests in companies listed in Hong Kong, Singapore, Taiwan, Korea, China and the US that either derive a significant portion of their revenues in China, or source or manufacture in China, or target the large and growing Chinese consumer market. The firm believes that the best years in the greater China region are yet to come.

Gaia/Sumitomo link for multi-strat Japan

Gaia Capital Management, a Tokyo-based outfit started by Goldman Sach's former head proprietary convertible bond trader, Kenichiro Nishi, has unfurled a Japan-focused multi-strategy fund called the GaiaJapan Multi Strategy Fund. It is a joint venture between Sumitomo Corp and Kenichiro Nishi. Sumisho Capital Management (Singapore), a 100% subsidiary of Sumitomo, will play the investment manager role, while Gaia Capital will be the investment advisor.

Nishi worked at Goldman between 1997 and 2003, where he managed a \$2 billion Japanese convertible bond portfolio as the head proprietary trader. After that he did a two-and-a-half year stint at DKR Oasis, managing a \$3 billion multi-strategy derivative portfolio.

The fund is starting with \$30 million and is looking to accumulate \$100 million within this year. It will employ four arbitrage strategies: gamma &



Kenichiro Nishi and Eiichiro Sugita

volatility – CB and options; credit – relative value and capital structure; long/short – tactical and fundamental; and finally, event driven – events and PIPE. The fund will determine the strategy mix by utilising a top-down approach based on macro factors such as cyclical in equity, credit, volatility, interest rates, correlation between asset classes, and the leveraging/de-leveraging cycle between the economy and market.

Nishi is also bringing on board Eiichiro Sugita from Goldman Sachs as risk manager/COO. As lead technologist at Goldman, Sugita developed and ran an algorithm trading engine for Japanese and Asian (ex-Japan) equities markets.

Tempus research duo release Asian Strategies Fund

After running a managed account for little under two years and giving returns of 43%, former sell-side research duo John Schofield and Martin Ching have launched a directional, pan-Asian long/short fund with a strong China bias. The Tempus Asian Strategies Fund will follow the same investment strategy as that of the managed account and focus on liquid mid to large-cap stocks. Schofield set up Hong Kong-based Tempus Investment Research in 2003, while Ching came on board last summer to help set up the fund.

The fund has started with \$3.5 million and a hard-close target of \$500 million. Targeted annualised returns are 15%-20% per annum over a four-year market cycle. The strategy utilises a systematic blended investment methodology of technical, value and fundamental criteria. At the moment the fund's positions are largely market neutral.

Schofield and Ching, who have worked together for the past eight years, will act as portfolio managers.