

AllianceBernstein Seeks Funds for Allocations

BY KELLY BIT

AllianceBernstein LP, the investment management firm that has about \$8 billion in hedge-fund assets, is searching for managers across strategies, including startups, to add to its fund of funds, according to **Marc Gamsin**, head of the firm's Alternative Investment Management Group.

"It's been a very good time for new managers," Gamsin said in a telephone interview. "Dodd Frank rules are pushing some people who traditionally were managing funds for prop desks to start hedge funds. There are a lot of people who were at very good, successful hedge funds who've been waiting for the market to be attractive to start a new fund."

About 25 percent of the firm's fund of funds investments are with managers that have been open for less than a year, Gamsin said. AllianceBernstein will consider managers that have left large institutions who want to manage smaller pools of capital. It will consider seeding opportunities, which it hasn't made in the past, he said.

The firm offers two funds of funds, one to institutions and the other to high-net worth individuals along with separately-managed accounts. It is currently invested in about 100 underlying managers. Initial allocations will vary, Gamsin said.

"We're talking to a number of people about different types of strategies, including long-short strategies," Gamsin said. "There are a number of institutions replacing some long-only managers with a long-short sleeve. For some, we will invest \$100 million through different accounts initially. It can grow from there."

AllianceBernstein invests in hedge funds with varying assets under management, Gamsin said. "It really depends on the strategy," he said. "If we invest in a small-cap fund, we want the capital of the fund to be small. If we're investing in a fund where we're hoping they're going to go to Europe and compete for assets coming out of banks that are deleveraging, they have to have size to compete."

AllianceBernstein announced that it hired Michael Conn as managing director of strat-



Marc Gamsin

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CRABEL GAINS IN JANUARY

The \$1 billion CTA rose 6.7 percent in Class A shares: Returns in Brief, page 2

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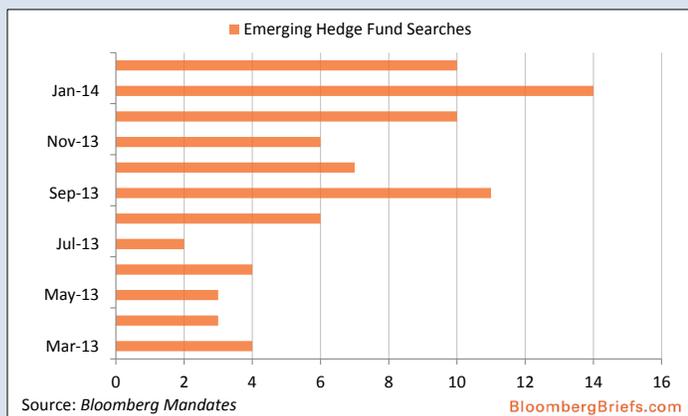
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NEW MANDATES



January was the most active month for institutional investor searches for emerging hedge fund managers, at 14 new mandates. This month may surpass December for the third-most active since Bloomberg began tracking mandates data in March. Emerging manager searches are defined as those where investors required no minimum level of assets under management or track records.

— Nathaniel E. Baker

Institutional mandates for hedge funds are now available on the Bloomberg terminal via the mnemonic **MND<GO>**. Access is provided to marketing professionals who are Bloomberg Anywhere clients at hedge funds. Contact your sales representative for questions about accessing the function. For more information about Bloomberg Mandates, e-mail mandates@bloomberg.net.

RETURNS IN BRIEF

‘Emerging’ Funds Post Best Returns in 2013

Emerging hedge funds, defined as those managing between \$50 million and \$100 million, posted the best returns last year, according to a report by Simplify LLC, a New York-based firm that specializes in data on alternative funds.

Funds of that asset size bested those managing more than \$1 billion in assets by 231 percent, according to the report. Emerging funds rose 44 percent on average last year while the largest managers gained 13 percent. Funds in the \$100 million to \$250 million range had the second-best annual gains of 37 percent.

Managers with between \$25 million and \$50 million posted average returns of 30 percent last year, while those with \$250 million to \$500 million returned 26 percent, according to the report. Funds with \$500 million to \$1 billion gained 22 percent, the second-worst-performing group. The report will be published online tomorrow.

Simplify's DataCentriX database tracks 14,580 active funds and share classes. It has a cloud-based analytics and trading platform called PortfolioCentriX. The company was started in 2011 by **Brian Shapiro**, who founded Carbon Based Consulting that was sold in 2007 to KPMG and Carbon360 Research LLC that was acquired by Opalesque Media Group in 2009. He was previously a principal at Data Exchange Inc., acquired by Advent Software in 1996, and portfolio manager at Lehman Brothers.

— Kelly Bit

■ **Atlantic Investment Management Inc.** posted a 1.1 percent January gain in its Cambrian Fund, which has \$1 billion in assets, according to a person familiar with the matter. The fund rose 38 percent last year. Its AJR/Quest Fund, with \$500 million, gained 1.9 percent last month and 20 in 2013, the person said. Atlantic Investment Management, which invests in long-short and long-only equity with a focus on mid-cap industrial products and consumer and business services companies, was founded by **Alex Roepers** in 1988. The \$2 billion firm is based in New York and has an office in Tokyo. Catherine Jones, a spokeswoman for Atlantic Investment Management, declined to comment on the returns.

■ **Transtrend BV**, the Rotterdam-based managed futures fund, posted a 3.3 percent January decline in the enhanced risk dollar profile of its Diversified Trend Program, the firm said on its website. The fund fell 0.6 percent last year. **Andre Honig** is executive director at Transtrend, which was established in 1991.

■ **Renaissance Technologies LLC**, the \$22 billion investment firm founded by **Jim Simons**, is flat this year through Feb. 21 in its Renaissance Institutional Diversified Alpha Fund, according to a person familiar with the matter. The fund, which is managed by co-chief executive officers **Peter Brown** and **Bob Mercer**, returned 7 percent last year. Jonathan Gasthalter, a spokesman for Renaissance, declined to comment.

■ **Crabel Capital Management LLC**, the \$1 billion commodity trading adviser that specializes in futures and foreign currency trading, rose 6.7 percent in Class A shares of its Crabel Multiproduct last month. Last year the fund climbed 2.1 percent. The firm, which was founded by **Tony Crabel** in 1992, confirmed the returns.

— Kelly Bit

For this week's Performance Snapshot, featuring diversified fixed-income funds and asset-backed securities strategies, see page 8.

ALLIANCEBERNSTEIN...

egy, operations and development for its fund of funds. Conn was formerly a managing director and head of corporate strategy and development for traditional and alternative assets at TCW Group Inc., according to a statement. Conn's role may involve helping the firm create liquid alternative funds, Gamsin said.

AllianceBernstein's Alternative Investments Group manages about \$8 billion in hedge-fund assets and \$4 billion in private-equity type funds.

QUOTE OF THE WEEK

“Before the crisis began, most of the fears about a market meltdown were focused on hedge funds. Until now, these fears have been mostly misplaced.”

— Bill Dudley, New York Fed president, during the Fed's policy meeting on Oct. 28-29, 2008 (see story, page 7).

Bloomberg Brief Hedge Funds

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