

## Alp Ercil's fund becomes Asia's biggest start-up for 2012, Walkers expands Singapore team...

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**Alp Ercil's Asia Pacific fund has officially become the region's largest hedge fund launch for 2012.** The former Asia head of New York-based Perry Capital has closed the fund to new capital this week after raising an impressive USD940million according to a source familiar with the matter, reported *Reuters*. Ercil's success follows that of other former hedge fund executives including Carl Huttenlocher, former Asia head of Highbridge Capital Management, who launched Myriad Asset Management in Hong Kong last December and who, earlier this year, had already reached USD900million in AUM.

Other high-profile start-ups in the region this include Tybourne Capital, launched by the former Asia head of Lone Pine Capital, Eashwar Krishnan, and former Nomura Holdings Inc prop trader Benjamin Fuch's BFAM Partners (Hong Kong) Ltd. Ercil's new investment firm, Asia Research & Capital Management Limited, opened earlier this year. It employs 18 people, 14 of who are former Perry Capital employees. The private equity-style hedge fund focuses on distressed investment opportunities in Asian credit and equities markets. The fund will charge a management fee but performance fees will only be earned when investment gains are realized, reported *Reuters*.

**This week has seen the launch of India's first domestic hedge fund,** as reported by *MydigitalFC* on Sunday 19 August. Mumbai-based **Forefront Alternative Investment Trust** was registered as an alternative investment fund (AIF) with the Securities and Exchange Board of India (Sebi) and is listed in Category-III, reserved for hedge funds. Under the new rules released by Sebi, a Category-III AIF can employ "diverse or complex trading strategies and may employ leverage including through investment in listed or unlisted derivatives".

US private equity behemoth, Kohlberg Kravis Roberts (KKR) became the first overseas PE firm to apply and successfully be awarded approval from Sebi under the new rules. However, it is believed that KKR India doesn't have any immediate plans to raise funds in India. The KKR India Alternative Credit Opportunities Fund was among the seven funds registered with Sebi as of 16 August. Along with Forefront and KKR the other AIF's registered with Sebi include: Utthishta Yekum Fund, India Quotient Investment Trust (both Category-I venture capital funds), Excedo Realty Fund, Sabre Partners Trust (Category-II funds), and IFCI Sycamore India Infrastructure Fund (Category-I infrastructure fund).

Under the new rules, only those funds that planned or have raised funds from India are required to register with Sebi. Category-II AIFs are funds that can invest anywhere but are prohibited from raising debt except for meeting their day-to-day operational requirements; these include PE funds, debt funds or fund of funds.

In other news, **a pair of Asia traders, Kyle Davies and Su Zhu, has flown across the Pacific to launch Three Arrows Capital,** reported *FINalternatives*. The San Francisco-based hedge fund, a market neutral vehicle focusing on Asian equity and fixed income markets, is planning to launch in September with USD10million in day one assets. Davies was quoted as saying that the liquidity-constrained arbitrage fund would "take advantage of capacity-constrained strategies".

"As asset allocators continue to move money to the largest hedge funds, I believe there are many smaller inefficiencies in the market that are ignored. We seek to capitalise on a portfolio of smaller multi-asset arbitrage strategies," said Davies, the new firm's chairman and chief risk officer. Zu will serve as the firm's CEO and chief investment officer.

Both Davies and Zu worked at Credit Suisse in Hong Kong, the former on the equity derivatives

trading desk, the latter as an analyst before going on to trade with Flow Traders and Deutsche Bank, according to their LinkedIn profiles.

Finally, **offshore law firm, Walkers, has expanded its Singapore office with the relocation of corporate partner Thomas Granger** from Hong Kong reported *Asian Legal Business*. Granger has over 10 years' corporate experience with an emphasis on investment funds and private equity, and first joined Walkers in 2005. He became a partner in the firm's Global Investment Funds Group in July 2010. Granger has advised clients on public and private offerings in Australia and Japan and also has experience with Indonesian PE and corporate transactions.

Commenting on Granger's relocation, **John Rogers, managing partner of Walkers' Singapore office** (which opened in 2009), said: "Today Walkers is the largest offshore firm in Singapore servicing a growing base of clients and financial institutions in Southeast Asia and India, showing our substantial commitment to the region. Tom, with his particular expertise in hedge funds and private equity in Southeast Asia, will be a valuable asset, augmenting the offering from our current team."

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