

Asian hedge funds gain 2.48 per cent in Sep, India hedge funds on track to end the year strongly...

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Created 11/10/2012 - 16:58

Asian hedge funds finally enjoyed a solid month of performance for September, gaining 2.48 per cent according to *Eurekahedge*: their best monthly return since February 2012 when they gained 3.46 per cent.

That now puts the region's alternatives industry at +3.98 per cent YTD, with investors and managers alike no doubt hoping that a strong Q4 will make up for last year's disappointing performance, when they ended the year down 8.22 per cent. Asia ex-Japan hedge funds did even better in September, up 3.97 per cent to leave them +5.80 per cent YTD. Hedge Fund Research's figure for the region was slightly higher, up 4.86 per cent to leave them +6.09 per cent YTD.

Either way this is encouraging news for Asian fund managers who have been struggling to build momentum in 2012. According to *Eurekahedge*'s figures, long/short equity funds in Asia ex-Japan returned +4.15 per cent (+5.36 per cent YTD) in September, while event-driven strategies gained +0.52 per cent to leave them +11.92 per cent YTD. Fixed income strategies returned a modest +0.10 per cent to leave them +5.07 per cent YTD.

A Hong Kong-based fund management company - Ardon Maroon Fund Management - has launched an Asia-focused hedge fund with seed capital from a European family office reported *Reuters* this week. The strategy will apparently look to profit from events such as mergers and restructurings, at a time when so-called event-driven funds appear to be doing well in the region.

The company was established by former Wall Street executives, Frank Dominick having previously worked at Morgan Stanley and Charles Woo at Lehman Brothers. Mirza Rahman, who previously worked as COO at Artradis, has been hired as the firm's COO. Maroon Capital Asia, the investment vehicle of European family office Maroon, has provided USD25million in seed and working capital to the firm.

Ardon has hired James O'Hanlon, a former executive at Bank of America Corp in Japan as a portfolio manager, bringing the firm's total number of employees to seven. The Ardon Asia Fund will focus primarily on events in Japan, Hong Kong, China, Korea, Australia and Singapore, and take opportunistic bets in countries including India and Indonesia.

Following a -26 per cent loss last year Lim Advisors has decided to close its China Absolute Return Fund to external investors reported *AsianInvestor*. The fund is believed to be running approximately USD38million in assets, most of which are the Hong Kong firm's own money. The China fund, which launched in 2006, returned about 80 per cent through to end-2011. However, it appears the multi-strategy hedge fund - which has relative value, credit and event-driven strategies at the heart of the portfolio - was affected by the high volatility that emanated out of China's stock markets last year. The *Eurekahedge* Greater China Hedge Fund Index ended 2011 down -13.17 per cent, one of the decade's worst performing years and surpasses only by 2008 when it dropped an eye-popping -26.85 per cent.

In other news, **Segantii Capital has hired the former head of trading at hedge fund Isometric Investment, Ambrose Meau**, reported *Reuters* this week, as part of an active hiring spree. That brings the total number of new hires to the Hong Kong fund to at least 10 this year. The fund, established by Simon Sadler in 2007, has been a huge success and attracted a lot of new money thanks to its stellar performance last year when it generated a 41 per cent gain. It is also up a respectable 4.2 per cent through August this year. In addition to hiring Meau, Segantii also confirmed that it had hired Nigel Hellewell as COO. Hellewell is a former partner at London-based BlueCrest Capital Management.

Finally, **it looks like India-focused hedge funds could be on track to end the year strongly, having risen +7.4 per cent** so far this year reported *Business Standard*. This compares to a 25 per cent fall in 2011. The benchmark Sensex gained +7.6 per cent in September and the rupee rose +4.8 per cent against the greenback, and as Samir Arora of Singapore-based Helios Capital was quoted as saying: "These September returns would raise inflows to Indian hedge funds." Besides Helios Capital, other India-focused offshore hedge funds include Avatar Investment Management, India Deep Value Fund, HFG India Continuum Funds and Indea Capital Pte.

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