

# Akshayam Capital kicks off with Asia long/short strategy

Kedar Wagle and Ajay Sharma, two highly regarded names in Asian asset management circles, have set up Akshayam Capital in Singapore with plans to launch an Asia long/short strategy.



The Akshayam team

Wagle was until recently manager of the long/short value portfolio at JP Morgan Principal Strategies. Prior to that he was a part of the Citigroup Asset Management (now Legg Mason Asset Management) team that managed its \$6 billion Asian portfolio. His career has also included a stint at Alliance Capital, managing the Asian Tech Fund and being a part of the Asia portfolio team that ran \$2 billion in assets.

Sharma was a sector specialist at Citi until January 2008, responsible for the emerging markets, technology, internet and India industrial sectors. He has also worked as a sell-side analyst

at DSP Merrill Lynch India and Morgan Stanley India.

Joining the firm as third partner and head of business development is Vishal Jindal, who ran his own IT businesses in India and Singapore and brings 12 years of business development experience.

The fund will focus on generating alpha through bottom up stock-picking based on rigorous fundamental analysis with no directional bets. The managers want to generate a consistent 15-20% return for investors and avoid huge swings by having a risk overlay that aims to contain the portfolio's net market exposure in a relatively narrow range.

Initial size will be around \$20 million, but investor interest is strong and assets are expected to scale up quickly. The fund's capacity is \$1 billion.

## Atom in asset-growing mode for Japan event-driven fund

The Atom Japan Equity Fund, advised by former Sparx, Citadel and Merrill Lynch manager Atsuko Tsuchiya, is opening up to external investors with the intention of raising \$100 million by the end of 2008.

The Japanese long/short strategy has an event-driven focus and was incubated by Sumitomo Corporation in December 2007 with \$5 million of seeding. It has returned a sterling 22% year to date, making it one of the best performing Japan funds. The firm intends to close the fund at \$500 million, while Sumitomo has just raised its contribution to \$30 million.

Tsuchiya has now set up her own firm, called Atom Capital Management in Tokyo, which will act as an adviser to the fund, which is

managed by Sumisho Capital Management Singapore.

Over the past nine months, the fund has generated alpha both on long/short and event-driven. The strategy is fundamentally driven rather than trading-oriented, with a diversified portfolio that at present has about 80 names. Risk has been kept fairly low with an annualised volatility of just below 10%.

Tsuchiya has a strong pedigree, having worked at Gartmore Japan and at Sparx Group as an investment analyst. Following this she joined Citadel as a portfolio manager on the event-driven desk, running a Japan book.

Subsequently, she was managing director of Merrill Lynch's Principal Credit Group, where she headed the Japan public equities team.

## China-based value move for former CICC equity sales veteran

Wang Hao, formerly head of equity sales for Hong Kong and domestic A shares for China

International Capital Corporation (CICC), has set up China Value Investment in Hong Kong.

A 17-year veteran of the Asian markets, Wang is credited with building the CICC HK equity sales business from scratch in 2002 to a business generating \$120 million in secondary commissions last year.

The Hong Kong-based firm has also brought in CICC founder Edwin Lim and former George Soros fund partner Rodney Jones as directors. Katherine Wan joins as COO.

The focus will be on Chinese mid-caps with a concentrated portfolio of 12-15 names. Launch is expected on 1 October with \$20-30 million, and a capacity of \$1 billion.



Wang Hao

## Matrix backs new Foster Asia fund

Rupert Foster, the well-regarded former manager of FM Capital's \$370 million Japan Pragmatist Fund, has launched an Asia long/short equity fund on the Matrix Alternative Asset Management platform.

London-based Matrix has provided \$20 million in seed capital as well as operational support. The fund will be opened to external investors after three months, and will have a capacity of \$500 million.

The fund will use a TMQ (thematic, macro, quantitative) filter that Foster developed at FM, but with a more aggressive style than the FM Japan fund he ran. The portfolio will have 30-50 positions held for a relatively long period. However, given the current economic and market conditions, Foster expects to run a significant net short book.

## Pearl moves into ASEAN market

Jakarta-based Pearl Capital, set up by former Macquarie Securities executives Darwin Sutanto, Silva Halim and Liny Halim, has launched an ASEAN focused long/short fund.

Sutanto, who has 15 years of equity sales and research experience, previously headed equities for Macquarie Securities Indonesia and managed an Indonesia-focused equity hedge fund as CIO of Syailendra Capital, where he outperformed the JCI Index by over 70% in 2007.

The fund will look for investment ideas with expected returns over 20% over 12 months and at companies with earnings potential overlooked by the market, or that have potential re-rating due to changes in sectoral/macro conditions, are undergoing restructuring or have an event-driven potential such as M&A.