11·11·2015 · Paloma Partners · P1·

many " name
multi-strategy HF : MOM . Seeder?
VC in HF field

no invidual strategy ⟶ persistent ⟶ early stage
⟹ capital allocation . Variable .

quantitative element tool.

early stage entrpnr · "seeding program
2 yr.
exclusivity .
every deal . flexible.

early stage manager . typical 2 yr ·
capacity constraint . capacity.
have a right to go.

△ capacity issue.
△ interactive ⟶ comfortable with each
                                              other

- allocation to different strategies   P2.
(top down ⇒ asset allocation - limited each exposure.
bottom up ⇒ good idea. specifically.
- limited exposure to E L/S /directionay/ Sys Macro.
                           credit   (different team
- gradual evolution of capital.   specialization).
- inpune target P/u (like PE/activist?) -
- Index rebalancing cuhen SXP rebalance)

- calendar strategies → cyclical.

        team.
- credit → even driven based.

    - risk management team. 杠杆 ↗

☆ - [alpha generating team] ⇒ quite successful.
☆ - [volatility team] ⇒ expert team.
                                    premia
∨ c∨ = (allocation team.   )·

Δ flexible. opportunity set.
competing teams. if not good. ask to get
more always focus on best idea back.
micro bottom of up ✓.

Q: how monitor underlying managers?
valuate.

performace bad. what is happening?
terminate? or not.

SMA → ⎰ liquidity.
⎱ tranparency. risk control.
great ability to monitor. control.

how to use the data more effectively?

A: direct transation record.

centralize ⎰ operating controls
⎱ controls ↘ risk.

△ one team focus on : soveregin default.

△ → direct lending in China

PE / 24 years ago. public market not good

small exposure but low correlation.

A = fee structure. incentive. expensive.
unpredictable.
netting risk ⇒ fees across the fund.

Q = my.
how many PM do you have now? 33.

② 2. major reason to get your capital back?
style drift?
terminate
2. / too much capital invested
② / time length. alpha decay.
Test their.
performance · give them chance. alpha persistence.

3. early stage · not experienced?
influenced them? give advice?
or have full discretionary? like PE

4. how long do you stay with 'each manager
① maximum · minimum.
average time length.
variable 20 plus 6-7.6
10
low vol! high short! down · · ·