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ipac first investor in new fund of hedge funds product

Multi-manager, ipac, and alternative investments specialist, Brookvine, have joined forces to introduce a US fund of hedge funds manager, Prisma Capital Partners LP (Prisma), to the Australian market.

ipac is the first investor in the Prisma Global Multi-Strategy Fund - an Australian registered Managed Investment Scheme managed by Prisma - backing it with a \$160 million initial investment. ipac is also the Responsible Entity for the fund, which is open to institutional investors only.

Brookvine represents Prisma in Australia and will assist Prisma with its fund raising and investor relations.

Prisma Capital Partners was established in 2004 as a joint venture between a group of former Goldman, Sachs & Co. Partners and AEGON USA Investment Management LLC. The former AEGON team was joined by; Girish Reddy, Goldman Sachs' former Co-Head of Equity Derivatives; Gavyn Davies, the former Chief Economist; Thomas Healey, the former Head of the Pension Services Group; and Emanuel Derman, the former Managing Director in Firmwide Risk.

The firm manages more than \$US4 billion for institutional investors, with the core of the team having managed a low volatility fund of hedge funds portfolio for AEGON for more than 11 years.

The Prisma Global Multi-Strategy Fund invests across a range of strategies and investment markets, with great emphasis on diversification, risk management and downside protection. Compared to other multi-strategy-type funds, the Prisma Global Multi-Strategy Fund deliberately seeks to deliver active return with a lower correlation to traditional asset classes, such as shares and bonds.

Steven Hall, Brookvine's Managing Director, said Brookvine's relationship with Prisma was the result of a lengthy search.

"The Prisma team is exceptional. Also, it is rare to find an organisation in this field with such a well refined investment proposition, a solid operating platform and a successful track record – together with the flexibility of comparatively low funds under management," he said.

Jeff Rogers, ipac's Chief Investment Officer, said ipac was attracted to Prisma's low volatility investment proposition.

"It's a compelling investment proposition. They are a dedicated fund of funds manager – that's all they do – and one that has plenty of opportunity to grow while remaining true to style. We were wary of the extent that traditional market "beta" contributes to the returns of multi-strategy funds. We focused heavily on this aspect in selecting Prisma," he said.

Rogers said Prisma had a sophisticated and well integrated risk management discipline. He added that long standing relationships enabled them to secure capacity in hedge funds that are closed or only selectively open.

ipac invests in a range of hedge fund strategies including single manager strategies as well as funds of hedge funds. ipac previously invested in the Grosvenor Master Fund, a global fund of hedge funds, through the BT Global Return Fund.

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