Emerging Manager monthly

A Publication of
Financial Investment News

June 2013 www.emergingmanagermonthly.com Vol. VIII, Issue 6

LA Fire & Police To Issue Manager-of-Managers RFI

The $16 billion Los Angeles Fire & Police Pension System approved issuing a domestic equity emerging manager-of-managers RFI at a May 2 special meeting, Chairman Dean Hansell said.

The plan received a recommendation from its Ad Hoc Manager Fee Committee to issue an RFI in order to yield information on the fund's investment manager fee tier structure as well as the investment performance of active public securities managers and their respective fees, according to board documents.

The plan currently utilizes Attucks Asset Management as its domestic small-cap equity emerging manager-of-managers and FIS Group as its domestic all-cap equity emerging manager-of-managers. Attucks manages approximately $81 million for the plan and FIS handles $165 million, as of March 31.

CIO Tom Lopez said in a June 4 e-mail that there is no timeframe for when the RFI will be issued and did not provide additional details.

The plan generally posts searches on its Web site (http://www.lafpp.com).

Callan Associates' Institutional Consulting Group Hosting Best Practices Event

Investment consultant Callan Associates is hosting a program aimed at providing emerging managers with an overview of the best practices and pitfalls to avoid when communicating with clients, prospects and consultants.

The event will be held in Chicago on July 23 and is being hosted by the firm's Institutional Consulting Group. The event is not related to Callan Connects, the firm's ongoing effort to meet with and engage emerging managers.

"Our meetings with emerging managers have revealed that they have many questions on basic protocol and best practices," Callan Spokesman Scott Brown said, in an e-mail.

"We felt it would be beneficial for them to get those basic questions answered so they can spend more of their time talking about their products and investment expertise, as opposed to sorting through logistics."

The half-day workshop will review numerous areas in which investment managers connect with the institutional marketplace including RFPs, prospecting, consultant meetings, client reviews and messaging changes within an organization.

The event will be faciliated by Judy McKinney, executive v.p. & manager of the Institutional Consulting Group and Anne Maloney, senior v.p. in the group.

Further details and how to register for the event are available on Callan's Web site (http://www.callan.com/our-clients/investment/workshop/) and the deadline for registration is July 1. The event is limited to 36 participants and is open to two individuals per firm. Managers with questions about the event can contact Nona Phillips of Callan at 312-346-3536.

There is no fee for the workshop but all attendees must be registered.

EMM Forms Reader Community

Emerging Manager Monthly is proud to launch the Emerging Manager Monthly Community, a group on LinkedIn where EMM readers can discuss their ideas and opinions.

The group will enhance the value of EMM subscriptions by creating a forum for discussing thoughts, knowledge and news and sharing information relevant to the emerging manager community.

To join the discussion, go to www.linkedin.com, click the icon to the left of the search bar, check groups and type in Emerging Manager Monthly Community. When the search results come up click "join." Once your firm's subscription is verified, you will be accepted into the group.

The expansion of EMM into LinkedIn is part of an overall enhancement of the experience of our readers that will also see a new Web site design launched in the coming months.

Ten Asset Management CIO, Strategies Move To Haber Trilix

Jeffrey Kerrigan, cio of Ten Asset Management, has moved to investment firm Haber Trilix Advisors.

The move, which was effective at the end of April, includes the sale of Ten Asset Management's domestic small-cap value, large-cap value and mid-cap core strategies to Haber Trilix, according to an SEC filing from Ten.

Haber Trilix is a Boston-based investment firm with approximately $1.6 billion in assets under management.

The Stanislaus County Employees Retirement System, which had an allocation in Ten's domestic small-cap value strategy through emerging manager-of-managers Capital Prospects, has moved its allocation to Haber Trilix, according to minutes from an April 10 meeting.

The San Joaquin County Employees Retirement System has also moved its allocation to Haber Trilix under Capital Prospects, CEO Annette St. Urbain said.

The move was predicated on achieving economies of scale at Ten, the minutes state. Nathan Wallace, president of Ten, referred comment on the deal to Kerrigan, who did not return a call seeking comment.

Ten had $35.9 million in firm assets as of March 31, according to eVestment Alliance.

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Emerging Manager-Focused HF Deceived Investors: SEC

A hedge fund manager that focused on investing in emerging managers has been ordered to pay penalties of more than $26 million for allegedly fabricating and disseminating false information to investors, the Securities and Exchange Commission said.

Grant Ivan Grieve, founder of Finvest Asset Management, was ordered to pay penalties stemming from an allegations that Grieve and Finvest used a sham back-office administrator and phony auditing firm that Grieve created himself to provide current and prospective investors in the Finvest Primer and Finvest Yankee hedge funds with false monthly account statements, newsletters and factsheets that materially overstated the funds' performance and assets.

According to the SEC, Grieve and Finvest secretly formed back-office administrator Global Hedge Fund Services and accounting firm Kass Roland with fictitious employees, phone numbers, Web sites, e-mail addresses, automated voice messaging systems and physical office addresses as part of an overall effort to deceive current and prospective investors about his investing capabilities and track record.

Grieve in 2008 discussed the firm's investments in over 21 emerging managers through the Finvest Yankee platform and at the time said the firm had approximately $200 million in assets (EMM, 4/08).

The final judgment against Grieve and Finvest was made in U.S. District Court for the Southern District of New York on April 26 and orders Grieve and Finvest to pay disgorgement of $14,164,780 and civil penalties in the amount of $12,192,302.

New Reporter Joins FIN Staff

Emerging Manager Monthly is pleased to announce that Colin Rajala has joined the Financial Investment News reporting team as an associate reporter.

Colin joins our Nonprofit News staff focusing on coverage of foundation and endowment investing and will also contribute articles to Emerging Manager Monthly.

Colin is a 2011 graduate of Seton Hall University and prior to joining FIN was a staff writer for Reminder News in Vernon, Conn.

Colin can be reached at 646-738-7336 or colin@fin-news.com.

Generational Transition A Serious Challenge For Founders

Founders of traditional boutiques and hedge funds face a serious challenge in generational transition when their involvement in their business decreases, according to a Perspectives paper by Margolis Kass.

Founders of these businesses have to plan for the future because while clients and consultants are attracted to the business for the founder's successful track records, once the founder leaves, clients will have no reason to stay, Margolis Kass said in the paper, *Pass the Torch: Ensure a Smooth Generational Transition*.

In order for founders to combat this challenge, they must begin succession planning by building and mentoring a next generation team, allowing time for the team to become cohesive and fully grasp the investment philosophy.

The next step to ensure long-term success is identifying and grooming the next investment team of leaders and making them familiar to clients and consultants, Margolis Kass said.

The firm also suggests communicating well in advance with the clients, consultants and the marketplace, so the transition is not a surprise.

Founders also have to consider how they are going to transition ownership in their businesses, according to Margolis Kass. One of the attractions to boutiques is that the ownership aligns their results with their clients' results, so firms should make sure their key employees have ownership stakes, Margolis Kass said.

> "One of the most critically important, and sometimes overlooked, roles is that of senior management skilled at strategic vision casting, leadership, decision-making and supervision."
>
> **Jeffrey Margolis**
> *Founder*
> *Margolis/Kass Advisors*

The firm also said ownership percentages should be adjusted to accurately reflect specific roles, sending a positive message.

Margolis Kass also said that if a founder wants to monetize more of their investment, a small investor group is the best route, being viewed as less disruptive than a larger firm.

The full paper is available on the firm's Web site (www.margoliskass.com).

Altura Analysis

EMM is proud to present Altura Analysis, a feature brought to our readers by Altura Capital that provides research and analysis into different asset classes and investment trends in the emerging manager space. Emerging managers can submit their data to Altura's emerging manager database at www.alturacap.com.

Asset Class Research Note: Core Fixed-Income

Top quartile emerging core fixed-income managers have outperformed the benchmark by more than 300 basis points over every analysis period, according to new research from Altura Capital Group.

The research found that top quartile managers returned 7.10% for the one year period ending March 31 and returned 8.56% over the past three years and 7.97% for the five-year period, compared to 3.77%, 5.52% and 5.47% for the benchmark.

On average, all emerging fixed-income managers were able to beat the benchmark over the three time periods, returning 5.16%, 6.60% and 6.54%.

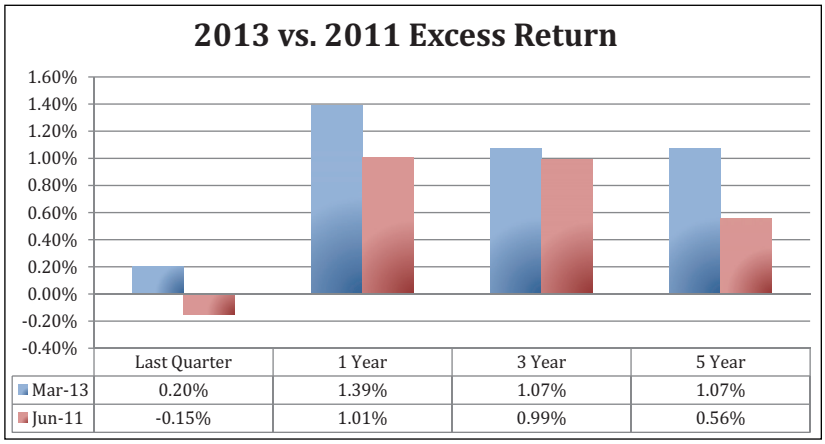
"An exciting number of core fixed-income managers have been able to add alpha over a tough last few years," Altura CEO Monika Mantilla said.

Compared to 2011, emerging core fixed-income managers were also able to increase the excess return over the benchmark over all time periods.

Overall, 27 managers were included in the analysis.

Top Three Managers by 3 Year Performance

Manager	Product	3 Year Excess Return[3]	Correlation to Benchmark
Atlantic Asset Management, LLC	Broad Market Total Return	2.10%	0.81
Garcia Hamilton & Associates, L.P.	Fixed Income - Aggregate	1.90%	0.89
UCM Partners, L.P.	Core Fixed Income Strategy	1.88%	0.80



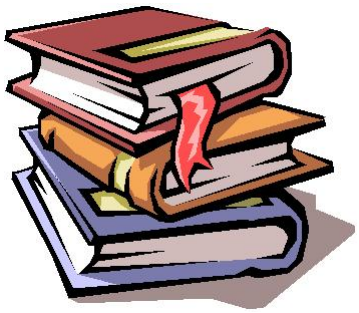
Performance by Quartile[1]

	1 Year	Last 3 Years	Last 5 Years
1st Quartile	7.10%	8.56%	7.97%
2nd Quartile	5.35%	6.75%	6.77%
3rd Quartile	4.52%	6.10%	6.19%
4th Quartile	3.44%	4.70%	5.01%
All Core Fixed Income	5.16%	6.60%	6.54%
LB Aggregate Bond Index	3.77%	5.52%	5.47%
Universe Size	27	27	27

There are 27 Core Fixed Income products in the Altura Information Platform. Of the 27 products, 10 (37%) are run by Women or Minority Business Enterprises (WMBEs). In our previous research conducted in the Core Fixed Income space for period ending June 2011, we found 19 products offered within our database and 15 (78.9%) of these were WMBEs. Therefore, our most recent dataset represents a decrease in the overall percentage as well as the overall count of WMBEs, although the aggregate database size went up.

For more information, please contact Altura at sales@alturacap.com or 646-290-5726. A full copy of the research report is available in the research section of Emerging Manager Monthly.

Research Center



All information from the research center is available for download at www.emergingmanagermonthly.com.

Submit your research by contacting Matthew McCue at mmccue@fin-news.com.

Conviction In Equity Investing

The existing traditional equity active management model is broken. Enormous sums of money chase a tiny proportion of skilled managers. Institutional investors spend significant time and resources on a portion of their programs, that, for most, contributes little to the bottom line even when successful. What should be done? Many investors will choose, over time, to move to an Efficiency-type model of passive management. The traditional active management industry will also likely transform over time toward the more unconstrained approach of hedge funds and other alternative investment strategies. But the active management industry, with the size and incentives to act as the enforcer of capital efficiency, isn't going anywhere. We call on all of the major players to step up their game.

Investment managers must focus on higher-conviction strategies that will allow their skill to flow through client returns, and reject low active risk strategies whose alpha is eaten up by fees and trading costs.

Consultants must also act with greater conviction, putting forward only their strongest recommendations, avoiding "safe" managers and be willing to recommend indexing instead in areas where credible products are lacking, or closed to new investors. -www.hekblog.com

Other Research:

Investment Consultants and Institutional Corruption
-Harvard University Edmond J. Safra Center for Ethics

Where should investors spend liquidity now?
-Jeffrey Slocum & Associates

Pass the Torch: Ensure a Smooth Generational Transition
-Margolis/Kass Advisors

The Role of a Market Neutral Strategy In A Diversified Hedge Fund Portfolio

A February 2013 Wilshire Associates report shows the average asset allocation of 134 state retirement systems in each of the 50 U.S. states and the District of Columbia. The study reveals that while investments in U.S. equities themselves have decreased substantially over the past ten years, those investments have been replaced by asset classes which themselves can tend to be quite correlated with U.S. equities (non-US equities, private equity, real estate, and other). Notably, the "other" category, which has gained the most in the past ten years is made up of cash, "hedge funds, and other absolute return/zero net-beta strategies."

The increase in hedge fund and absolute return investments is most likely intended to achieve diversification, but, sadly, too many hedge fund strategies bear direct or indirect long exposure and positive correlation to equity markets and other asset classes in investors' portfolios, making it difficult for them to offer the "hedge" when it is needed. Thus, simple asset allocation logic suggests that quite a valuable objective for a market neutral strategy is to be truly "market neutral" — to provide cushion during years in which traditional multi-asset class portfolios miss their return targets.

-www.matarin.com

If you've recently written a white paper or thought piece, contact Matt McCue at mmccue@fin-news.com

PIONEERING A NEW PATH

10TH ANNIVERSARY

Consortium 2013

A Forum for Institutional Investors,
Small and Diverse Managers

THE INTERCONTINENTAL NEW YORK TIMES SQUARE

Wednesday, June 5, 2013
Half-Day Companion Programs — 2:00pm - 5:30pm

THE BOOTCAMP
Launch Strategies for Small & Diverse Firms

THE INTENSIVE
An Institutional Investor-Only Forum

Thursday, June 6, 2013
Full-Day Program — 7:30am - 4:00pm

THE CONSORTIUM
A Forum for Institutional Investors,
Small & Diverse Firms

Pioneer Perspectives, CIO Insights — and More

Join our keynote speakers, trustees and investment officers from top institutional investors and a host of small and diverse firms at Consortium 2013. Our two half-day companion programs – The Intensive and The Bootcamp – offer the perfect forums for exchanging ideas and networking with colleagues. Visit us online to view the agenda and full speaker line-up.

Keynote Speaker:
Valerie Jarrett
Senior Advisor to the President
The White House

Master of Ceremonies:
Jamal Simmons
Political Analyst & Principal
The Raben Group

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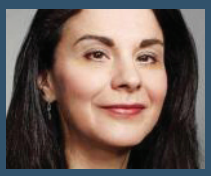

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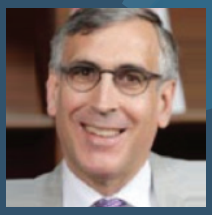

Brian O'Neil
Chief Investment Officer
Robert Wood Johnson Foundation

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creating connections

RG + Associates is a diversity consulting and talent connection firm. We are the trusted advisor to forward-thinking institutional investors, governmental agencies, and corporations seeking to enhance diversity across their organizations. **www.rgassociates.org**

Eastern Shore Launched In Partnership With Moody Aldrich

Long-only domestic equity manager Eastern Shore Capital Management has been launched in partnership with Moody Aldrich Partners.

Eastern Shore will be jointly owned by Moody Aldrich and Robert Barringer, James O'Brien and Sarah Westwood, the three employee principals of the Marblehead, Mass.-based firm and co-managers of the firm's strategies. Moody Aldrich will have a 55% ownership stake in the firm, with the three principals owning the remaining 45%.

Robert Barringer

Sarah Westwood

James O'Brien

Westwood said the launch of the new firm was borne out of Moody Aldrich's desire to restructure into a holding company structure that would invest in asset management firms, the desire of O'Brien and herself to continue managing the strategy and Barringer's need for a home to his small-cap core strategy since his previous firm FBR Asset Management was acquired by Hennessy Funds in October 2012. O'Brien and Barringer had known each other from their days working together at Citizen Funds.

"We are very similar philosophically about our investment process and how we do our work so it was really natural for us to come together," O'Brien said.

The firm currently manages two strategies, a small-cap core strategy with a track record dating back to 2007 and a small- to mid-cap core strategy. The small-cap core strategy will use a similar process to what Barringer used as a portfolio manager at FBR Asset Management, while the smid-cap strategy will build on the track record O'Brien and Westwood generated as members of Moody Aldrich's investment team dating back to 2006.

The firm has about $20 million in assets under management, split about equally between the two strategies.

The strategies, which consist of a range of 100 to 125 holdings, will utilize the same investment process and will be made up of three different types of holdings: quality holdings, transformational holdings and cyclical holdings.

Quality holdings are screened using nine factors that identify companies that provide good return on equity and offer downside protection and make up the core part of the strategies at a range of 40% to 80% of the portfolio.

Transformational holdings, which make up 10% to 25% of the portfolio, are considered companies or industries going through a restructuring or a company offering a disruptive technology or poised to benefit from secular trends in the market.

Cyclical holdings consist of emphasizing companies during a particular economic cycle and make up 10% to 35% of the portfolio. For example, one current theme in the portfolio is an exposure to building materials to access the housing market, which O'Brien called the "epitome of a cyclical industry."

O'Brien has historically focused on industrials, materials and energy, Barringer has experience in healthcare and technology and Westwood has expertise in utilities and consumer staples along with portfolio structure and risk management, which creates a team with complementary skill sets.

O'Brien believes the compliance, legal and other middle and back office functions that will be provided by Moody Aldrich, as well as working capital for the next three years should eliminate many concerns investors would have.

"To start an investment firm from scratch today is a very difficult undertaking," he said. "We are very well funded and our infrastructure is taken care of. I think we have a unique advantage to someone who just opened the doors on their own."

"Having this relationship with Moody Aldrich allows us to focus more on the investing portion of doing business," Barringer added.

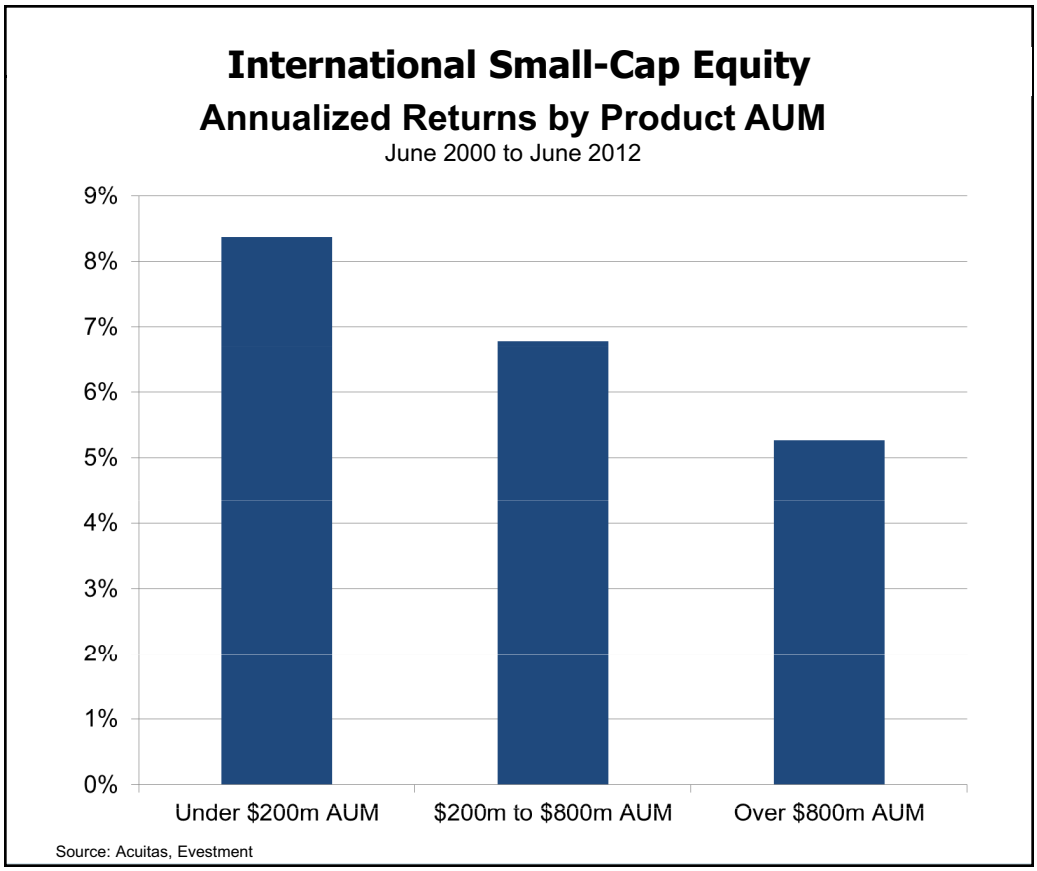
Acuitas Launches Multi-Manager International Small-Cap Fund

Acuitas Investments has launched a multi-manager international small-cap equity fund.

Acuitas, which currently offers a multi-manager micro-cap equity portfolio, is launching the strategy to address institutional demand for exposure to international small-cap equities, Acuitas Managing Partner Chris Tessin said.

"Consultants have told us that they struggle to find managers that they are excited about in international small-cap because a number of the most palatable managers, the managers that have a reasonable asset base with a good track record, are no longer available," he said. "The pool of favorites is limited and quickly unavailable, and that is the big challenge."

The firm has already funded two managers and expects to add more managers as the strategy scales, Tessin said, adding that the firm is the first investor in the international small-cap product for one of the unnamed managers.



With regards to prospective managers, Tessin said the firm ideally likes a firm with experience investing outside the U.S. and an infrastructure capable of handling managing a non-U.S. small-cap strategy.

"Our goal is not to stretch the resources of existing managers. Our goal is to identify where they are great and focus there," he said, adding that the firm is open to concentrated and broad strategies and quantitative and fundamental strategies.

With manager research, Tessin said it is easy to rely on databases and wait until managers have traction, which is why Acuitas takes pride in its efforts to find great managers.

"We are the sports scout willing to go to every playground in America. We are really willing to go down in the mine and dig in order to find great managers. We don't wait for them to come up to the surface with a diamond in their hand to recognize their value," he said.

He explained that by offering a multi-manager product that focuses on being an early allocator to managers, either in low asset bases or with younger track records, the firm is able to offer institutions an investment opportunity they are lacking.

"Managers with niche strategies that don't view a high level of demand and don't think they are ready for broad market consumption, we are interested in evaluating," Tessin said. "And we think that for plan sponsors, they can benefit. There is a clear return advantage to allocating early."

Interested managers can contact Director of Research Dennis Jensen via e-mail at djensen@acuitasinvestments.com with a standard presentation and historical holdings, if available.

The strategy currently has less than $5 million in assets and Tessin believes the firm will benefit from the groundwork he and his partners laid with the micro-cap product. Most of the firm's discussions have been with corporate and large public pension plans that are challenged in accessing capacity constrained strategies and could most benefit from accessing eight to 10 underlying managers through an allocation.

"I expect given the level of institutional demand for the product, our sense is that a valuable solution for plan sponsors, both large and small, from an efficiency and capacity perspective. International small-cap is clearly an inefficient space with fewer high quality institutional managers that takes more dedicated research and that is paramount for us, because there is covering the space and having quality, dedicated research to the space," Tessin said. "We think that multi-manager is a great solution for plan sponsors looking for access to the space with efficiency and oversight."

The Tacoma, Wash.-based firm was founded in 2011 by Tessin, former lead portfolio manager for the micro-, small- and small- to mid-cap products at Russell, and Jensen, former lead portfolio manager for Russell's U.S. quantitative and style equity products and a senior research analyst responsible for both domestic equity and alternative strategies. Brian Stoner, previously a member of Russell's capital markets research division, is also a shareholder in Acuitas.

The firm's micro-cap fund, which has invested in four strategies, received a $20 million allocation from Southern California Edison Company last year.

Shikiar Asset Mgmt. Finds Comfort In Limiting Volatility

Stuart Shikiar saw the increasing volatility and violent swings of the equity markets as a problem for investors. So he set out to build a solution that could ease the concerns of investors seeking reduced volatility and more stable income.

> "We concluded that after that large valley, we really wanted to provide more of a comfort level to ourselves and our clientele. When we reengaged, we said, 'this time we will in fact do it differently' and we want to receive income with less volatility."
>
> **Stuart Shikiar**
> *Chairman & CIO*
> *Shikiar Asset Management*

Shikiar, who founded Shikiar Asset Management, Inc. in 1995 after serving as a partner and portfolio manager at hedge fund Omega Advisors and at Prudential Securities Investment Management as cio and managing director prior to Omega, said that after watching two significant drops in the equity market in a 10-year period, he concluded that volatility in the equity market would lead to many peaks and valleys.

"We concluded that after that large valley, we really wanted to provide more of a comfort level to ourselves and our clientele," he said. "When we reengaged, we said, 'this time we will in fact do it differently' and we want to receive income with less volatility."

After 18-years of running a firm that essentially mirrored a family office, he believes the firm's total return strategy, born out of that reflection, is attractive to the institutional community.

"We believe we have an investment approach that is exceptionally cogent and highly attractive to investors," he said.

The investment team, which consists of Shikiar, Albert Sipzener and Gary Friedle, has constructed a total return strategy that invests across the corporate capital structure to allow for flexibility in identifying and taking advantage of changing markets and dislocations that may occur. The equity portion of the portfolio is geared to providing capital growth, while the fixed-income securities and non-traditional securities are designed to limit overall volatility of returns.

The strategy, which was launched on Jan. 1, 2009, is balanced, with a typical allocation of equities and fixed-income-related securities.

Shikiar explained that the firm's goal is first and foremost preserving capital and providing returns comfortably in excess of risk-free returns and inflation.

"Essentially, we want to keep this as a total return portfolio and in doing so, you just need a requisite number of thoughtfully selected balanced securities to provide reduced volatility and total return," he explained. The strategy produced a gross return of 12.90% in 2012 and 12.19% since its inception in 2009.

To identify attractive opportunities, the firm looks at pricing levels on equities and bonds that have upside potential or a return on principal with valuations that are attractive on relative and absolute measures. In the equity markets, the focus is on companies that pay dividends with sustainable free cash flow generation being an important factor.

The firm currently manages approximately $300 million in client assets, primarily with high-net-worth investors. The growth of the firm has been through referrals without any marketing effort.

To expand the firm's client base, the firm has brought in Andrew Roth as managing director, responsible for business development. Roth was previously with the Brunswick Group focusing on strategic and corporate communications and also spent several years in the business development department at The Blackstone Group.

"The firm was able to raise roughly $300 million based purely off its intellectual capital and its ability to succeed in the market," Roth said.

"Given the firm's clear success with high net worth investors, our total return strategy, in my opinion, dovetails very well to family offices as well as endowments and foundations, with the end goal of reaching larger institutions that are looking for less volatile strategies."

Roth added that with many investors moving back into equities as the markets move upward, smarter investors are recognizing the need for downside protection.

"It is a very good opportunity right now to fill that hole in someone's portfolio," he said.

TerraCap Garnering Institutional Interest In Real Estate Fund

TerraCap Management Corp. has seen institutional interest in its distressed commercial real estate strategy pick up as it nears the close of its second fund.

The Bonita Springs, Fla.-based firm in March received its first allocation from a public pension plan and also has garnered an allocation from the University of Florida endowment.

Stephen Hagenbuckle

The firm in March received a $6 million commitment in its TerraCap Partners II from the Holyoke (Mass.) Retirement System, which was conducting a search for real estate managers with a preference to emerging managers that had at least one prior fund and less than $300 million in assets under management.

TerraCap's first fund, TerraCap Partners I, closed in December 2010 on nearly $26 million in equity commitments, including an allocation from the University of Florida endowment. The fund is fully invested and consists of 15 land acquisitions in southwestern Florida.

Fund II opened in January 2011 and will close in September, according to Stephen Hagenbuckle, managing principal at the firm. The fund has bought 11 assets so far and depending on the total capital raised, it is likely to hold anywhere from 22 to 32 assets.

The fund targets distressed commercial real estate in Florida and the Sunbelt region, with about 80% of the fund's investments involving acquisitions of office and retail properties, according to Hagenbuckle.

Typical investments will involve properties ranging from 50,000 to 150,000 square feet in size and from $2 million to $20 million in price. The remaining 20% of the portfolio is filled with industrial, property and land assets.

"We do that to achieve diversification not only through product type but through asset type. Even in real estate, the different asset classes have moments that are stronger than others so it is better not to have all your eggs in one basket," Hagenbuckle said.

The firm focuses on areas with sustained population growth that outpaces the U.S., areas where there are land constraints and limited supply, and buildings that can be acquired for 50% or less of the replacement cost.

"These are good assets in good locations," Hagenbuckle said. "The opportunity is great and I just don't think it will be around long."

The firm evolved out of Hagenbuckle's dealings as a founding shareholder and board member of Landmark Bank in Fort Lauderdale. After the real estate market turn in 2008, he went to banks that had assets he was interested in and asked for early notification on defaults to allow for first access to potential opportunities. "No one was doing that four or five years ago," he explained, adding that he believed the downturn would be short-lived because population is the underlying driver for real estate demand and the numbers in Florida from a population and pricing standpoint did not measure up.

Hagenbuckle said the firm's size and focus provide an opportunity for investors they cannot access through larger real estate funds.

"The big funds, they can't write checks usually smaller than $15 million," he said, adding that the firm is also able to use low leverage in its deals and is currently levered at 6%.

For Fund II, the firm in January brought on Jamie Lane as director of investor relations, responsible for communicating directly with TerraCap's existing clients and working with the institutional investor community to assist the firm in raising capital for its latest real estate private equity fund.

He explained that the fund had not engaged any investors until bringing on Lane to focus on capital raising, having raised assets to this point through referrals and investors from Fund I. "What is happening is it is accelerating much faster now," he said. "New investors can see the value that has already been created."

Advisors Capital Brings Income Growth Strategy To Institutions

Charles Lieberman had tried going down the institutional road before. But his firm's income growth strategy, which invests across dividend paying stocks, preferred stock, REITs, Master Limited Partnerships, bonds and utilities and telecommunication companies, never was able to gain traction with consultants looking to fit managers into narrow style boxes.

But this time, he sees a change in the appetite for investors as they begin to open up their portfolios for more flexible managers.

"We've decided to try to see if we can get some exposure in the institutional space," said Lieberman, who founded Hasbrouck Heights, N.J.-based Advisors Capital Management in 1999 and previously served as the chief economist of Chase Bank and as an economist for the New York Federal Reserve.

The firm currently has approximately $400 million in assets under management, including around $30 million with defined benefit pension plans and foundations.

"These days, [institutions] are more open minded to all-cap and to money managers who try and focus on an investment objective," Lieberman said. "Income with growth is a very good fit with a lot of institutional investors because they have pretty distinct bogeys for the returns they need to hit."

The strategy was launched in 2001 and aims to provide a yield of 5.5% after fees while also providing capital appreciation.

A typical portfolio will have 35 to 45 holdings, with allocations in stocks, MLPs, REITs, utilities, preferred stock, fixed-income and cash.

"We are omnivores," he said. "We do tend to look at anything that makes sense, so we are truly all-cap, we are all-asset, all anything."

To identify opportunities, the firm uses a two-tiered process that takes a top-down view on business cycles, interest rate outlooks and demographics and a bottom-up fundamental analysis of companies that looks at debt, net income growth and earnings growth.

Having a strategy that supplies a consistent dividend also helps keep the volatility of the portfolio down, which Lieberman said is another thing institutions should find attractive in the strategy.

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Long/Short Small-Cap Fund Puts Bullseye On Institutional Investors

In the case of Bullseye Asset Management, opposites really do attract-from an investment perspective.

The Denver-based firm was founded by growth investor William Bales and value investor Jakob Holm to wed their differing approaches to the market in a strategy that provides investors with the best investment opportunities across the domestic small-cap equity space.

Jakob Holm

William Bales

The pair launched the firm in 2010 after working together as colleagues at Janus Capital Management, where Bales was a portfolio manager for the Janus Venture Fund and small-cap growth separately managed accounts and Holm was portfolio manager for the Janus Adviser Small Company value Fund, Aspen Small Company Value Fund and small-cap value separately managed accounts.

"What we found over that time period was we would go to conferences, we would talk to management teams, we would generate ideas that didn't quite fit our particular investment styles," Holm said, explaining that he and Bales began a synergistic working relationship at Janus in which they would share ideas that could be better suited for each other's strategies. That eventually led to the decision in 2010 to launch Bullseye.

"The idea is that with our extensive small-cap expertise, we wanted to build a firm that was focused on small-cap investing," Bales said.

The firm's domestic small-cap focused long/short fund was launched on March 1, 2011.

By teaming up, the pair's growth and value leans create checks and balances that ensure each holding is justified.

"I get too carried away on a growth stock and a valuation, then Jakob will start questioning me about why do we still own something that looks valued the way it is and makes me justify keeping the position where it is," Bales explained.

He said they also found when analyzing the returns that the majority of Bales' alpha was generated during the bull side of a cycle, while Holm's alpha was largely generated during bear markets.

"By putting a growth and a value guy together, obviously you need to be able to work together, but figuring out both sides of a cycle is crucial to good returns and that is one of the factors that really solidified us doing what we are doing," he said.

The strategy typically has 25 to 75 long holdings and 10 to 30 short holdings, with a maximum long position size of 10% and a maximum short position size of 5%.

Holm said the collaborative effort includes complete agreement on the top 10 holdings in the portfolio and their positions and the allowance for opportunities on the growth or value side that may not be completely apparent to the counterparty to be included at smaller levels.

"It has been very collaborative and very synergistic," he said. "We also respect each other's skill set."

The strategy is a bottom-up process that is driven by individual stock selection.

"We both believe it is incredibly difficult if not impossible to predict where the economy is going overall and from a macro perspective how that is going to play out," Holm said.

"We were both taught fundamental investing and as we look for long ideas we are looking for businesses that we would consider of high integrity where we prefer recurring revenues, improving margins and accelerating earnings per share," Bales said.

When building the portfolio, the firm created a proprietary model that suggests where the strategy should be from a net exposure standpoint based on the volatility of the market. From there, the firm builds the short portion of the market through two types of short positions: alpha shorts and beta shorts.

An alpha short is aimed toward making money because fundamentals in individual companies are deteriorating, while a beta short is designed to make sure the strategy is at the designated risk exposure level.

The firm was launched with personal money as well as some assets from friends and family. Holm said that because of their background running long-only money, the duo wanted to show they could run the short-side of the portfolio and deliver returns in a long/short vehicle before looking to expand its client base.

"Now, we feel this is the time we are ready to really take outside money," he said.

The firm currently has $5.6 million in the fund and overall assets of $8.8 million.

The firm brought on third party marketing firm Four Peaks Capital to assist with its marketing efforts. Bales said the group will initially target high-net-worth investors and family offices and begin the process of introducing the strategy to pension funds and investment consultants while it builds toward its three-year track record.

Team Spins Out of DDJ Capital, Offers Opportunistic Value Strategy

Applied Fundamental Research has been launched by two former investment professionals that have spun out of DDJ Capital Management.

The Cambridge, Mass.-based firm is headed by co-founders Ted Wagenknecht and Kevin Curran and is being supported by DDJ with initial and ongoing capital. DDJ will have a minority equity stake in the firm, which will offer a value opportunities strategy that has been managed by Wagenknecht since inception in August 2010. Wagenknecht was a principal and portfolio manager at DDJ, while Curran was a research analyst.

"I had been running this vehicle since 2010 and really decided that this was my passion-I believe that this is absolutely the best way to compound capital in a risk averse manner over time, and I wanted to focus the entirety of my time, effort and talents on this strategy," Wagenknecht explained. "The opportunity was really there to spin this fund out, take it out of a bigger firm and take it to a place where this could be the sole focus for the both of us."

The firm, which was launched last month, declined to comment on assets under management in the opportunistic value strategy, which invests both long and short across the capital structures of North American small-cap and mid-cap businesses.

"We seek to identify dislocations between intrinsic value and market price and capitalize upon either the security, the business, the industry or the valuation-specific catalysts that correct that disparity between intrinsic and market value," Wagenknecht said.

The ability to opportunistically move in and out of credit across the capital structure is an aspect that he thinks differentiates the firm's strategy beyond its fundamental research.

"The decision point at that stage really is a function of what returns can be generated for the difference in risk of accepting the proposition of either being a lender to a business or an owner of the business," he noted.

The strategy's focus on the equity or credit markets ebbs and flows with the broader economy and what the markets are offering at any point in time. "Right now, there are much more attractive opportunities in special situations and equity securities than in credit securities," he said, adding later, "But markets change over time. There are no hard and fast limits on our weightings."

Ted Wagenknecht

Kevin Curran

The strategy is a concentrated portfolio of about 30 to 40 positions. "We tend to have more of a long bias but the changes, if you will, in our net exposure over time are driven by what we believe our companies are telling us about the business climate through their performance numbers every quarter," Wagenknecht said.

The firm looks to hedge for three reasons: to capitalize on specific idiosyncratic opportunities that are identified through research; to reduce factor-specific risks contained in the portfolio through long exposures; and to guard against significant market pullbacks.

To create a unique alignment mechanism with its investors, Wagenknecht and Curran have told investors that they will reinvest no less than 50% of their carry after taking into account any taxes on their LP and/or GP interests back into the fund. "We call this True Partnership," Wagenknecht said.

Looking forward, Wagenknecht believes the firm has addressed many of the concerns that come with evaluating emerging managers from an infrastructure and operational point of view, and from a strategy perspective sees its flexibility and cross capital structure approach, as well as an upcoming three-year track record as attractive to investors.

"We should appeal to opportunistic investors but we should also appeal to investors for whom this opportunistic cross capital structure mandate really provides a solid mainstay between their credit and equity exposures," he said.

Emerging Fund Administrator Acquired By North Street Group

North Street Group has acquired Hedge Fund Solutions, which offers fund administration for both emerging and established alternative asset managers, the firm announced.

Additionally, North Street has changed the name and re-branded Hedge Fund Solutions as North Street Global Fund Services, the firm said.

"The transaction with North Street allows Hedge Fund Solutions' fund services to strengthen its infrastructure for our clients' needs," said Dean Betzios, co-head of North Street Global Fund Services, in a statement.

North Street Global Fund Services will offer emerging managers a "fund launch" package that will be customized to each client and will set up an infrastructure for the funds, according to the North Street Global Fund Services' Web site.

The package will help emerging managers with administration, prime brokerage, marketing, recruiting, capital introduction, compliance and trading and execution.

The firm will also offer services such as accounting, daily P&L reporting, daily NAV calculations, inventory management and maintenance, trade bookings and reconciliations, corporate actions processing, mark-to-market statements and data scrubbing.

Alex Mascioli, managing partner of North Street, said the firm's acquisition of Hedge Fund Solutions will help it develop its operations into the alternative asset space.

Cross River Brings PE Approach To Small-, Mid-Cap Long/Short Fund

Cross River Partners takes a private equity mindset and puts it in a hedge fund structure to provide investors with realized gains in their portfolios.

The Ridgefield, Conn.-based firm was founded by Richard Murphy in 2002 and has seen its assets grow from $7 million to its current $35 million over that time through appreciation.

The appreciation is directly related to the firm's domestic small- and micro-cap long/short equity strategy, which looks to create long-term positions in a core, concentrated portfolio.

Chris DuComb

Richard Murphy

Murphy founded the firm in April 2002 after time at SunAmerica working on the firm's Growth and Income Fund and in just the past year has made the decision to expand Cross River's client base after 11 years managing money for a core group of friends and family.

"I think we have a very unique investment process and one that has been very successful that no one knows about. We can add value to people's portfolio," he said. "I feel like we have an industry space we can fulfill."

The strategy not only focuses on an under-covered area of the market but is also constructed to focus on Murphy's best ideas.

"We are providing 10-15 really unique names that we have done a tremendous amount of due diligence on. Over time, these 10-15 names can provide a nice diversification piece of your overall investment pool," he said.

Because the stocks are underfollowed, the micro- and small-cap space can offer larger discrepancies in price and valuation.

"We are looking at things at 1.5 times cash flow…you don't see that in large-cap," Murphy explained.

He also notes that by purchasing companies at cheap multiples, he is able to lower the risk on the downside.

Taking a private equity outlook to the area is also possible because most companies in the capitalization have focused business lines.

"These are simple businesses. When you get to these small companies, you can dig in and understand those companies really well," he said.

The firm's three-step process looks to narrow the approximately 440 companies in the universe to around 150 names using general valuation screens before moving into two separate screens-one focusing on quantitative factors and the other looking at qualitative factors.

The second step in the process involves building a financial model through evaluating the company's various filings and conversations with management that seeks to understand the company's future prospects as well as any current issues with the business or management.

"For me, it is looking at the margins," Murphy said, explaining that he marries margins with valuation. "The price always determines how I feel about something."

The third piece is a slow build of the firm's holding in the company. Murphy said he typically takes an initial 1% to 1.5% position and then will increase the holding as he becomes more comfortable with the company or eliminate the position if his initial thesis does not work out.

Overall, the long "core" portfolio will make up about 60% of the portfolio's composition, with the long "starter" portfolio making up about 30% of the portfolio and the short position making up 10% of the strategy.

The short portion of the strategy includes eight month puts that act as protection against any black swan events. Along with the puts, the strategy has a diversified short portfolio of 10 to 15 positions either through individual stocks or ETFs that are either fundamentally overvalued and subject to a correction or hedge a long position.

The firm added Chris DuComb as director of sales and marketing in January to introduce the strategy to potential investors.

DuComb said he joined the firm because he sees an attractive return profile with a strategy that has room to grow to up to $250 million in assets, at which time the firm would launch a mid-cap fund.

DuComb said he believes that single family offices, smaller endowments and pension plans with decided emerging manager programs are his initial targets as he looks to build the firm's client base.

"I have proven that we have a good investment discipline and now we want to launch and go out with it," Murphy said.

Cardinal Capital Ownership Change Affects OBWC Mandate

The $24.6 billion Ohio Bureau of Workers Compensation transitioned out of an emerging manager allocation with domestic mid-cap value manager Cardinal Capital Management after an ownership change saw the firm lose its majority women-owned status.

The plan was forced to transition out of a $6.5 million allocation with Greenwich, Conn.-based Cardinal Capital through Leading Edge Investment Advisors in March due to the ownership change, which saw two female shareholders reduce their combined ownership to 44.5% from 52% as the female founder of the firm reduced her ownership by 7.5% and awarded more shares to other long-term male employees/shareholders of the firm.

The firm, which did not return a call seeking comment by press time, is 100% owned by its Managing Partners Amy K. Minella, Eugene Fox and Robert B. Kirkpatrick and Portfolio Manager and Partner Rachel D. Matthews.

The plan moved the money to mid-cap value manager Channing Capital Management on April 1.

The change has not affected Cardinal's relationship with the $160 billion New York State Common Retirement Fund, which utilizes Cardinal Capital to handle a mid-cap value mandate through manager-of-managers Progress Investment Management Company.

A fund spokesman said the firm will remain in the emerging manager program because the plan is satisfied with the firm's performance and consider the firm to be an emerging manager because of its size and experience.

The firm had $1.69 billion in assets under management as of March 31, which is under the standard $2 billion maximum level many emerging manager programs use as the cut-off.

Cardinal Capital also has emerging manager allocations with the State of Connecticut Retirement Plans & Trust Funds through manager-of-managers Capital Prospects and the Los Angeles County Employees Retirement Association through manager-of-managers Northern Trust Global Advisors.

The two plans did not respond to inquiries seeking comment.

Illinois Teachers Makes Emerging PE Commitment

The $38 billion Teachers' Retirement System of the State of Illinois has made a commitment to an emerging private equity manager.

The plan approved a $35 million commitment to emerging manager Great Point Partners at its May board meeting, Spokesman Dave Urbanek said, in an e-mail.

Greenwich, Conn.-based Great Point focuses on investing in mid-market healthcare companies, making growth recapitalizations and growth equity investments of $7 million to $25 million.

The firm was founded in 2003 and its first fund, which was fully committed at $156 million, invested in 13 platform companies. The firm is currently launching Great Point Partners II, a follow-on fund targeted at $200 million.

Investors in the first fund included the University of Virginia, Georgetown University and Tufts University.

Maryland County Hires Emerging Manager Garcia Hamilton

The $2.6 billion Baltimore County (Md.) Employees Retirement System hired emerging manager Garcia Hamilton & Associates to handle a $25 million fixed-income mandate at a board meeting last month, Investment Administrator Robert Burros said, in an e-mail.

Garcia Hamilton was hired over fellow finalist GIA Partners, according to minutes from the plan's April meeting.

Emerging manager consultant CASI Institutional Consulting, a subcontractor to general investment consultant NEPC, assisted.

The hire follows the addition of emerging domestic small-cap equity managers Nichols Asset Management and Channing Capital Management in March (EMM, 5/2).

Search Roundup

The following directory includes search and hire activity for the last month, as well as previously reported ongoing searches. The chart also includes emerging managers hired for direct investments. All amounts are in $ millions unless otherwise stated. To report manager hires and new searches, please call Gar Chung at 646-810-1073 or e-mail him at gchung@fin-news.com.

For further information on finsearches' daily search leads and mandates awarded and lost, please visit finsearches.com or contact Gene Dolinsky at 646-810-1072 or gdolinsky@finsearches.com

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FUND NAME	FUND SIZE (M)	INVESTMENT TYPE	SIZE (M)	COMMENTS
NEW LEADS				
Los Angeles Fire & Police Pension System	15,770	Emerging Manager-of-Managers	NA	Plan approved a domestic equity emerging manager-of-managers RFI at a special meeting yesterday. A timeframe for the RFI was not provided, however the plan generally posts searches on its Web site (http://www.lafpp.com/LAFPP/rfp.html). Current domestic equity emerging manager-of-managers Attucks Asset Management and FIS Group handle approximately $81 million and $165 million for the plan.
ONGOING				
Public School Teachers' Pension & Retirement Fund of Chicago	9,765	Emerging Manager-of-Managers	N/A	Plan will continue discussions on utilizing both Attucks Asset Management and Progress Investment Management Company as emerging manager-of-managers at its June meeting. Plan had previously discussed consolidating the mandates at its April 25 meeting.
Atlanta General Employees Pension Fund	1,120	Private Equity Fund-of-Funds	N/A	Plan will discuss its emerging private equity fund-of-funds search at a future board meeting but there is no timeframe presently. Plan had originally hired Loop Capital in November but the firm declined funding in February. No other information is available at this time.
HIRES				
Kentucky Retirement Systems	14,615	Private Equity Fund-of-Funds	40	Plan committed $40 million to Bay Hill Emerging Partners III, a private equity fund-of-funds that focuses on emerging managers.
Teachers' Retirement System of Illinois	39,600	Private Equity	35	Plan made $35 million commitment to emerging manager Great Point Partners, a private equity firm investing in mid-market healthcare companies.
Retirement Board of Allegheny County	766	Hedge Fund	2.5	Plan committed $2.5 million with Altair Management Partners to manage a hedged equity mandate.
Baltimore County Employees Retirement System	2,630	Fixed-Income	25	Plan hired emerging manager Garcia Hamilton & Associates to handle a $25 million fixed-income mandate at its May board meeting. Other finalist was GIA Partners. Emerging manager consultant CASI Institutional Consulting, a subcontractor to general investment consultant NEPC, assisted.
FIRMS ON WATCH				
Public School Teachers' Pension & Retirement Fund of Chicago	9,765	Large-Cap Core	188	Plan placed domestic large-cap core equity manager Waddell & Reed Asset Management on watch for not meeting plan's emerging brokerage goal.
FIRMS TERMINATED				
Ohio Bureau of Workers' Compensation	26,000	Mid-Cap Value	N/A	Plan transitioned its domestic mid-cap value equity mandate to Channing Capital Management from Cardinal Capital, which is no longer majority women-owned.

Virginia Beefs Up Real Assets Team

Jummai Sarki-Hurd has joined the $57.9 billion Virginia Retirement System as real assets senior investment officer, Spokeswoman Jeanne Chenault confirmed, in an e-mail.

In the newly-created position, Sarki-Hurd will be responsible for assisting management in oversight of the plan's $5.2 billion real assets portfolio, which includes private and publicly-traded equity and debt investments on a global basis.

She reports to Director of Real Assets Field Griffith and will participate as a team member in a broad range of portfolio management activities, including formulation of strategy, portfolio reporting and analysis, due diligence for new investments and risk management in a broad capital market context.

According to Sarki-Hurd's LinkedIn profile, she joined the system in April from Wells Fargo where she served as a v.p. of commercial real estate.

Angeles Hires Consultant

Susan Yun Lee has joined investment consultant Angeles Investment Advisors as a private markets consultant, according to an announcement.

Lee previously served as a senior associate at Black Canyon Capital, a private equity firm in Los Angeles. Prior to Black Canyon, she worked in a similar position at Vintage Capital Group.

"We're very pleased to welcome Susan to Angeles Investment Advisors," said Angeles Principal Michael Rosen, in a statement. "She brings broad experience in management consulting, corporate finance and private equity, and we expect she will contribute significantly to our research efforts in all areas of private investments."

Lee's appointment at Angeles follows the departure of Consultant Lisa Murray, who joined the Ewing Marion Kauffman Foundation as an investment director.

Tucson Hires Callan

The $607 million Tucson (Ariz.) Supplemental Retirement System hired Callan Associates as its new general investment consultant, Investment Manager Allan Bentkowski said.

Callan, which will begin as the plan's new consultant on July 1, replaces incumbent Hewitt EnnisKnupp. Bentkowski said the make-up of the board is different now than when Hewitt EnnisKnupp was first hired in 1999 and that the plan decided to go in a new direction.

The other finalists were Segal Rogerscasey, R.V. Kuhns & Associates, Wilshire Associates and Hewitt EnnisKnupp.

The plan issued a consultant RFP in August for due diligence purposes.

Senior V.P. Paul Erlendson and V.P. Gordon M. Weightman will serve as the plan's lead consultants at Callan.

Fort Worth Executive Director Takes Same Position At Wyoming

Ruth Ryerson, executive director of the Fort Worth (Texas) Employees' Retirement System, has resigned from her position effective July 31 in order to take the same position with the Wyoming Retirement System.

Current Executive Director Thomas Williams said the selection of Ryerson had been finalized in the last couple of days and her start date is Aug. 1. He added that he will assist in the transition to Ryerson until his Aug. 31 departure.

The $7.2 billion Wyoming system had been searching for Williams' replacement since he announced his upcoming departure from the plan in early February. He originally joined the system as executive director in 2008.

"Ruth has been a great leader during a time of transition for the Fund," said Billy Samuel, chair of the Fort Worth plan, in a statement. "She has a great deal of integrity and leaves behind a solid infrastructure and professional, highly qualified staff to carry on her work. The Wyoming Retirement System is very fortunate to acquire Ruth's passion and talent for administering pension plans. Her leaving is a great loss to the Retirement Fund, our members and to the City of Fort Worth."

Rocaton Adds To Bonds Team

Patrick Chrysler has joined consulting firm Rocaton Investment Advisors as a director of fixed-income manager research.

Chrysler joined the Norwalk, Conn.-based firm in April from ING Investment Management, where he served as v.p. of manager research and selection.

"We are thrilled that Patrick Chrysler has joined the Global Fixed Income Research team at Rocaton Investment Advisors. We continue to be able to add experienced investment professionals to the intellectual capital of the firm," said Lisa Florentine, head of global fixed-income research and a partner of the firm, in a statement.

NYC PE Head Departing

Barry Miller, head of private equity for the New York City Retirement Systems, is leaving the plan, a spokeswoman confirmed, in an e-mail.

Miller, who joined the $134.7 billion system in 2011, is reportedly leaving to join Landmark Partners. Francisco Borges, chairman and managing partner at Landmark, was out of the office and not available for comment.

"We're gratified that our office has been able to attract talented and expert employees of the caliber of Barry Miller, who served the people of New York City ably for two and a half years. We wish him well in his new endeavor," the spokeswoman said, in a statement.

Details on how the city will replace Miller were not provided. The city's five pension funds have a combined $8.9 billion in private equity investments as of Feb. 28.

DB Plans Outperformed 401(k)

Defined benefit pension plans outperformed defined contribution plans in 2011 though the gap in longer-term performance has continued to narrow, according to a new study by Towers Watson.

Defined benefit plans had median investment returns of 2.74% in 2011, while defined contribution plans had median returns of -0.22%, making it the widest margin of outperformance between the plans since 1995, according to Towers Watson.

The analysis also found that the gap between the plans narrowed during the previous five-year period with the difference of outperformance by defined benefit plans shrinking to 39 basis points from 76 basis points.

"Since the beginning of our study, DB plans have consistently achieved better investment returns than DC plans, except during boom stock market years," said Chris DeMeo, head of investment, Americas, at Towers Watson, in a statement. "However, the spread between the two has been narrowing, and with many sponsors adjusting the asset allocation strategy of their DB plans to better match assets to liabilities, the disparity may diminish further in the future."

The decrease in the gap is mostly due to strong stock market performance in 2009, when defined contribution plans returned 20.86% while defined benefit plans gained 15.46%.

The analysis found that the strong performance in some defined benefit plans resulted from sponsors shifting assets from equities to long-duration bonds, which far outpaced the performance of equity markets in 2011.

The full analysis can be found at the Towers Watson Web site (http://www.towerswatson.com).

BlackRock Acquires RE Firm

BlackRock has entered into an agreement to acquire private equity real estate firm MGPA, the firm announced.

BlackRock said acquiring MGPA, which has $12 billion in assets under management, will complement its existing real estate investment solutions and will also create the potential to accelerate MGPA's growth by leveraging BlackRock's distribution capabilities for clients.

BlackRock will have approximately $25 billion in real estate assets under management following the deal and also have investment teams in the world's top six markets, the firm said.

"Today's agreement advances BlackRock's growth strategy in Asia-Pacific and Europe, where we are seeking to enhance our local offerings and build on the Firm's real estate experience. It further strengthens our ability to offer clients an unrivaled set of solutions to the challenges of a low-return, high volatility environment, including access to MGPA's top-performing investment teams and exceptional capabilities in key markets," said Jack Chandler, global head of real estate for BlackRock, in a statement.

OppenheimerFunds Names Prez

OppenheimerFunds has promoted Art Steinmetz to president, the firm announced.

Steinmetz currently serves as executive v.p. and cio responsible for overseeing all equity, fixed-income and alternative investment capabilities including investment strategy, strategic planning and personnel. He will take over as president and cio effective May 31, and will continue to report to Chairman and CEO Bill Glavin, who previously held the position of president, according to a firm spokeswoman.

In this new capacity, Steinmetz will help drive the firm's strategic mission and continue to foster and build the firm's investment capabilities and culture. The firm's team of cios will continue to report directly to Steinmetz and he will continue to co-manage his investment strategies and portfolios.

Steinmetz was originally promoted to executive v.p. and cio in 2010.

"Art has been a pioneer, innovator, and one of the most successful and respected investment managers in the industry for more than 25 years," Glavin said, in a statement. "What's more, Art is the epitome of what it means when we say 'The Right Way to Invest,' as he personifies the high alpha, active management culture that we have cultivated here at OppenheimerFunds. As a portfolio manager, Art has been a role model, and as CIO, he has been a leader and mentor to many of our investment professionals. His promotion to President is a worthy recognition of his key role as the head of our investment organization, his public role in representing our company, and his ongoing leadership and influence at our firm."

OppenheimerFunds and its subsidiaries managed more than $208 billion in assets for over 12 million shareholder accounts, including sub-accounts, as of March 31.

First State Adds To Americas Team

First State Investments has appointed Brad Thomas as head of institutional distribution for the Americas, the Australia-based firm announced.

Thomas steps into the newly-created role as a result of First State's focus on growing its distribution and sales capabilities in the Americas market. He reports to James Twiss, managing director for the Americas, and will be responsible for identifying new business opportunities and developing relationships with consultants and institutional investors in the U.S., Canada and South America.

He joins the firm from Manulife Asset Management, where he was a managing director for consultant relations. Prior to Manulife he was a manager of U.S. sales at Batterymarch Financial Management.

First State Investments manages more than $167 billion in assets.