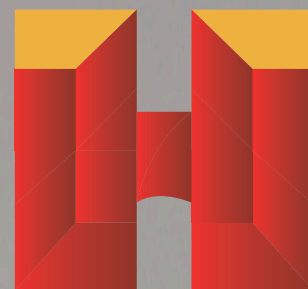


HEDGEfund

awards 2015



sponsored by
 **BarclayHedge**

Best Multi-Strategy Fund - Asia (KS Asia Absolute Return Fund IC)

Gen2 is thrilled to be named Best Multi-Strategy Fund – Asia for KSAARF. We believe the award will be a stepping stone to greater success for Gen2 Partners Limited.

Kyle Shin, Founder and CIO, Gen2 Partners



Best Market Neutral Fund-of-Funds

This award, to us, reflects the effort we put in on a daily basis to generate solid risk-adjusted returns for our investors.

Per Djerf, Head of Asset Management, Peak Core Hedge



Global Innovation Award for Fund Formation & Most Cost Effective Fund Administrator - Global

We are delighted to have won these two awards.

**John McCorvey III, CEO,
Stonegate Global Fund Services**



Best Russian Fund (Since Inception)

We are proud to have the distinction, especially given the strong competition we know to have faced. The key element of the award is the fact that it is voted on by peers. The industry is driven by competition and we are proud to have been selected.

**David Amaryan, Director,
Copperstone Alpha Fund**



Fact File



Address: Unit 7702B, Level 77,
International Commerce Centre,
1 Austin Road West,
Kowloon, Hong Kong
Tel: +852 37274500
Email: info@gen2ks.com
Web: www.gen2ks.com



Best Multi-Strategy Fund - Asia (KS Asia Absolute Return Fund IC)

Gen2 Partners

Gen2 Partners, based in Hong Kong, is one of the leaders in customised Asian Hedge Funds for institutional investors and family offices, in addition to being a trusted partner to help manage its investors' exposure to Asia across all Asian alternative strategies. The firm's flagship hedge fund, the KS Asia Absolute Return Fund IC has been named Best Multi-Strategy Fund – Asia in the Hedge Fund Awards. Gen2 Partners also named as the Best for Customised Asian Hedge Funds Award. We spoke to Kyle Shin, Founder and CIO, Gen2 Partners, to find out more about the fund and Gen2 Partners and their on-going success

Gen2 Partners is an independent specialist alternative investment firm in Asia with the deepest team of experienced senior professionals in the Asian financial industry. The firm's main office is located in Hong Kong's 118-story Landmark building, International Commerce Center (ICC). "We actively manage the portfolio of investment that uses unique investment strategies, such as benefiting from regulatory and market inefficiencies in the Investment Grade Asian Fixed Income market, long and short equities, and derivate positions mainly for hedging purpose in Pan Asia markets," says Kyle Shin, Founder and CIO. Shin was the head of Kingdon Capital Korea, and is one of the first Korean national to set-up a hedge fund in Asia who had previous hedge fund experience at a tier 1 hedge fund, Kingdon Capital Management.

In January 2010, Gen2 launched the KS Asia Absolute Return Fund IC (KSAARF). "The fund's goal is to deliver double digit returns while keeping the volatility at less than one-third of market (benchmark is MSCI Asia Equity Index)," says Shin.

Gen2 has prestigious high profile clients, such as quasi-sovereign pension funds, leading financial institutions, listed corporates and family offices. "All our clients have different risk appetite and Gen2 Partners has been able to customise the funds tailored to each investor's risk/return profile. Most of clients are looking for stable return plus growth with low/medium risk appetite," says Shin.



We are good at quickly evaluating where values are and we can use such opportunity into profit. We also keep good relations with diversified brokers who are helpful to find out such opportunity. We are also strict on risk management and use diversified hedges as we acknowledge that there is no perfect hedge in the financial world. In short, we are not a mega hedge fund and thus we can be nimble in making money in Asia.



"We are good at quickly evaluating where values are and we can use such opportunity into profit," he says. "We also keep good relations with diversified brokers who are helpful to find out such opportunity. We are also strict on risk management and use diversified hedges as we acknowledge that there is no perfect hedge in the financial world. In short, we are not a mega hedge fund and thus we can be nimble in making money in Asia."

Asked how Gen2 distinguishes itself from the competition, Shin points to the firm's flexible approach. "We can customise the fund that can be tailored to each client's investment risk and return appetite at competitive cost in short period of time. It seems our competitors cannot or don't offer our quality of service for the time being. We have a good network in Korea and access to the local hedge fund development and regulatory requirements. Also, our strategy fits well with Korean clients' investment mandates."

As 2014 comes to a close and we move into 2015, Shin says regulation remains the key word in the hedge fund industry. "Whether we are talking about FATCA, AIFMD or others, there is more and more time needed to be spent on regulations."

“

We can customise the fund that can be tailored to each client's investment risk and return appetite at competitive cost in short period of time. It seems our competitors cannot or don't offer our quality of service for the time being.

”



The changing regulatory environment in the global banking system offers both opportunity and risk to generate absolute return for hedge funds, Shin says. "Upcoming Basel III, Dodd Frank and so on new regulatory regimes have affected global banks to reduce or even shut down their proprietary fixed income trading desk/prop-book in Asia, which has been one of the key reasons for declining liquidity, especially in fixed income market. Declining liquidity can be both opportunity and risk. Hedge fund who has good network can engage in providing liquidity with stable profits that global banks used to enjoy. "However, if fixed income funds who do not have good network and have to unwind large position in the short period of time, it may negatively affect the performance on the flip side.

"Korean, Japanese and so on regulations on off-shore USD/EUR/JPY/ and so on currency bond issuance have also provided opportunity to generate alpha for off-shore hedge funds, such as Gen2 Partners, to generate stable returns".

"On the other hand, strengthening regulatory has negatively affected capital raising efforts. In order to solicit new investors, there is mounting regulatory requirement which practically close the door for smaller hedge funds to raise the assets in such countries. We attribute this as one of reason for big hedge funds getting bigger, while small hedge funds are getting smaller."

Gen2 offers a high degree of transparency, says Shin. "We can provide transparency through independent risk monitoring firms at reasonable fees to the clients. It can be monthly or even daily risk report provided directly to the investor in customized formats. Clients may even have their own ID/PW to access their daily/weekly/monthly risk information from our independent risk monitoring company's website.

"Our Fund Administrator can also provide ITR (Investor Transparency Report) directly to the investor, which is not common in Asian hedge fund industry. We are trying to provide as much comfort as possible to the investors, while not affecting the Funds and/or other investors' rights."

Working in Asia presents both challenges and opportunities, Shin says. "In terms of opportunities, regulatory arbitrage may not widely be available outside of certain countries in Asia. And in terms of challeng-



We can provide transparency through independent risk monitoring firms at reasonable fees to the clients. It can be monthly or even daily risk report provided directly to the investor in customized formats. Clients may even have their own ID/ PW to access their daily/ weekly/ monthly risk information from our independent risk monitoring company's website. Our Fund Administrator can also provide ITR (Investor Transparency Report) directly to the investor, which is not common in Asian hedge fund industry. We are trying to provide as much comfort as possible to the investors, while not affecting the Funds and/or other investors' rights.





“**The fund has been consistently nominated by leading Hedge Fund institutions since the fund launched in 2010 and we won our first award in 2014, which means something to us (we have won HFM Week Best Asian Multi-Strategy Fund in 2014).**”

es, the liquidity of Asian fixed income market is much smaller than the US/UK/EU liquidity. Capital raising for hedge fund is more difficult as big investors are still in the US/UK/EU.”

Looking to the future, Shin says Korea is probably the only country in the world that government aggressively try to build the hedge fund industry and is in the process to open the door for even high net-worth retail investors, while most of countries, including the US/UK/EU/ and so on are trying to impose more regulations/restriction.

“The Korean government allowed to launch on-shore Korean hedge funds a few years ago and now on-shore Korean hedge funds AUM increased to US\$2.5bn, which is expected to grow at a fast pace given the US\$1.1tn market cap of Korea.

“NPS (National Pension Services, which is the 4th largest pension fund globally) is growing rapidly and its AUM is expected to jump from US\$414bn currently to US\$770bn by 2020 and US\$2,328bn by 2043.

“Gen2 Partners has MOU with Woori Asset Management (the asset management arm of Woori Financial Group, which is owned by the government, now acquired by Kiwoom Investment & Securities, which is the leading Korean broker which the largest market share for the past 8 consecutive years) from September 2011 and actively involved

in Korean hedge fund market. Gen2 also has strong relationship with other leading Korean Asset Managers and currently in the process to accept investments from Korea.”

Gen2 is planning to continue to build up KSAARF in 2015. “We are planning to offer a few more commingled fund options,” says Shin, “such as 1) Multi-Strategy Fund as we have been doing, 2) Fixed Income Strategy which has been the dominant strategy for the past 5 years of Multi-Strategy, and 3) Equity L/S Strategy of the Multi-Strategy. Investors can choose either 1) multi-strategy, 2) fixed income strategy only out of KSAARF’s multi-strategy, 3) equity L/S strategy only out of KSAARF’s multi-strategy.

Shin says Gen2 is “thrilled” to be named Best Multi-Strategy Fund – Asia for KSAARF, and believes the award will be a stepping stone to greater success for Gen2 Partners Limited. “The fund has been consistently nominated by leading Hedge Fund institutions since the fund launched in 2010 and we won our first award in 2014, which means something to us (we have won HFM Week Best Asian Multi-Strategy Fund in 2014). Our staff and investors are excited to win the award after five years of hard work and successful returns to the investors. Kyle Shin and the team are very appreciative of the award which reflects the hard work done over the last few years. ■

forward

Welcome to the 2015 Acquisition International Hedge Fund Awards.

Nominated by clients, peers and fellow professionals; voted for by our subscribers; agreed by our industry experts – our awards are given to commend outstanding work around the world over the past 12 months.

And what a 12 months it's been. After a difficult four years due to the economic downturn our contributors are reporting that the past 12 months has seen not just renewed confidence but a bullish equity market; a view echoed by Eurekahedge, which found that hedge funds globally expanded assets under management by \$228.8 billion to an all-time high of \$2.01 trillion in 2013. In addition, new trends along the lines of alternative mutual funds are testing even the most traditional of investors and the industry is also facing an increased regulatory challenge.

It's clear from our awards that hedge fund professionals around the world, and those who support them, have grasped the opportunities, risen to the challenges of the past 12 months and produced some outstanding work. The sheer scale of interest in our awards took us by surprise and we're delighted that the industry has been so determined to recognise its stars. The awards recognise everything from funds, managers and advisors to IT provision and niche areas. All of our winners can be proud of their achievements.

So read on, and find out who made the cut and what it takes to be an Acquisition International award winner.

Gen2 Partners

Best Multi-Strategy Fund - Asia (KS Asia Absolute Return Fund IC) / **Page 4**



Herculis Partners

Best Swiss Long/Short Equity Hedge Fund - Hercules Partners Aries Fund / **Page 8**



LR Global

Best in Frontier Market Investing - New York, Emerging Manager of the Year - Cayman Islands, Frontier Markets Hedge Fund of the Year - Cayman Islands & Best Frontier Market-Focused Fund (Since Inception) / **Page 10**



Stonegate Global Fund Services

Global Innovation Award for Fund Formation & Most Cost Effective Fund Administrator - Global / **Page 14**



Peak Core Hedge

Best Market Neutral Fund-of-Funds / **Page 16**



Dix Hills Partners LLC

Best in Global Interest Rate Specialists / **Page 34**

Dix Hills Partners, LLC



Carlisle Management Company SCA

Best Fund Manager - Luxembourg & Best European Long-Term Growth Fund - **Page 48**



Steben & Company

US Fund of Hedge Funds - Steben Select Multi-Strategy Fund / **Page 52**



The ECU Group

Best for Currency Management Services & Best Global Macro Advisory Team - UK / **Page 56**

