

THE 25 MOST INFLUENTIAL PEOPLE IN ASIAN HEDGE FUNDS

In the May 2009 edition of AsianInvestor, we presented a list of the 25 most influential people in asset management. In this issue, we have undertaken an exercise to discover the 25 most influential people in Asian hedge funds. People involved in hedge funds are (arguably) more interesting and colourful on a per capita basis than those involved in conventional asset management. So we are presenting the names and stories of those individuals who have demonstrated that flair and ability to turn heads.

This is a catalogue of the people who have delivered a narrative on the Asian hedge-

fund industry as it has evolved. It includes the patriarchs of the industry, the spokesmen and oracles. Also it includes the hedge-fund managers who are in the vanguard of taking the industry forward, being the kind of managers that people want to emulate and follow.

We have cheated a little, as there are more than 25 names in our list. In some cases, where there is a joint contribution, say between business partners, or in one case, husband and wife, it makes sense to recognize them as a bracketed, common entry.

By Simon Osborne

Shuhei Abe



Shuhei Abe is the patriarch of the Japanese hedge-fund industry, and that makes him a sought-after figure when he opines about Japan

and how his funds are positioning themselves.

He is a rare commodity, a still surviving member of Japanese hedge funds 'Generation No. 1'. He founded Sparx Group in 1989 and is the group's CIO. The firm has grown in reputation and breadth ever since, for example in its takeover of Hong Kong hedge-fund group PMA Capital in 2006. Lately a restructuring of the portfolio process has seen Sparx's performance return to the run it enjoyed in the mid-2000s, showcasing the firm's durability.

Philippa Allen



Philippa Allen was doing compliance back when it wasn't sexy to do so. It still isn't, but it has become a vastly more significant part of what it

takes to be a hedge fund. As a public voice of the compliance industry in Asia working alongside the funds and the regulators, she knows which way the wind is blowing.

She set up ComplianceAsia in 2003 and it now has offices in Hong Kong (to where she recently relocated) and Singapore. She previously worked at GT Asset Management then Dresdner Kleinwort Benson and Dresdner RCM.

Robert Appleby, Christopher Botsford & Denys Firth



This trio established ADM Capital in the wake of the 1997 Asian financial crisis and it has become the leading boutique player in the Asian world of stressed and distressed assets. It has done so despite a higher cost of capital than the prop desks of investment banking competitors, thanks to nimbleness and a well-honed understanding of the region.



The original strategy was trading



distressed credit, but over the past decade, the universe of Asian distressed assets has broadened. The work now involves structured deals, acquisition finance, provision of working capital and managing obligations that have gone into technical, if not de facto, delinquency.

The firm's AUM has peaked at \$2.4 billion but as its various assets pay down, the funds' size has now moderated at just under \$2 billion (but up from a 2008 crisis trough of \$1.6 billion). The past 18 months have seen many investment banking refugees try to set up their own distressed-type boutiques; few seem to have gained traction, and it will likely take a long time for them to replicate ADM's track record as an independent.

Cheah Cheng-Hye



A godfather of the Asian hedge fund industry, Cheah Cheng-Hye founded Value Partners in 1993 together with partner V-Nee Yeh and

has been the firm's CIO ever since. As such, he is one of the pioneers of China stock market investing. Value Partners listed on the Hong Kong stock exchange in 2007. Going into the crisis, the firm had \$7 billion in assets under management. That fell to \$2.9 billion but has since recovered to \$5.5 billion in AUM. That number puts the firm into the world's top 100. Its flagship fund was up 83% in 2009. Before moving into finance, he was a journalist, working for the Far East Economic Review and Asian Wall Street Journal.

Michael Coleman

Effectively the 'go to' commodity fund manager in Asia, Michael Coleman is a classic success story among regional hedge fund managers.

He founded Aisling Analytics and the Merchant Commodity Fund in Singapore in 2004 with partner Doug King with less than \$10 million, after working as a trader at agribusiness giant Cargill.

The fund remained small for years, before its performance grabbed investors' attention and moved into the billion-dollar share class. It is easily the largest commodity-focused hedge fund in Asia, with \$1.1 billion in AUM and has returned an annualized 22.7% since inception as of August 31.

Moreover, Coleman stepped down on September 23 after two years as chair of the Alternative Investment Management Association.

Steve Diggle



One of Asia's hedge-fund success stories, Steve Diggle has grown the kind of investment management business that start-ups would

love to emulate.

Starting with their own money in 2002, Diggle and partner Richard Magides built Artradis Fund Management into a multi-billion dollar entity (it's now back at \$800 million), by taking long views on volatility through its Barracuda and AB2 funds. Added to the Artradis platform subsequently are equity long/short funds, a convertible bond fund and a single-country Russian product. Before becoming a hedge fund manager, he worked for Lehman Brothers and Barings.

Peter Douglas



Probably the pre-eminent voice of the alternative investment world in Asia, Peter Douglas always has insight into the issues that revolve around

Asian hedge funds.

He is the founder and principal of GFIA. Founded in 1998, GFIA is Asia's oldest hedge fund consulting firm. It is a specialist in emerging market hedge funds covering Asia, Latin America, the former Soviet states, the Middle East, and Africa. It is also the advisor to the Wittenham funds of funds. He established the Singapore chapter of AIMA and chaired it for many years. Prior to founding GFIA, he worked with the Foreign and Colonial group of asset management companies, and was later a director of Aberdeen Asset Management Asia.

Vincent Duhamel



Included here for his being a public face of the hedge-fund industry in Asia and being bold in delivering his opinions on the sector, Vincent

Duhamel is the chief executive officer of Sail Advisors. Prior to joining Sail in September 2008, he was a managing director of Goldman Sachs in Hong Kong serving as head of Asia ex-Japan for its asset management and global official institutions business.

From 1997 to 2005, he was the chief executive for Asia and a member of the Global Executive Committee of State Street Global Advisors' business. Before relocating to Asia in 1997, he was the head of State Street Global Advisors in Canada, which he established in 1993.

Teall Edds



Principal of Singapore and Hong Kong-based hedge fund firm Orchard Capital, Teall Edds is of the younger generation of Asian hedge-fund

managers. He has been in the alternative business since 1993, when he joined Stark Investments after a career with Wall Street firms. That culminated in his being

head of credit risk management for CSFB in Singapore.

He and partner Stu Wilson left Stark in 2009 and created Orchard Capital, taking with them the staff of the firm. The team spun out the existing structured credit funds, later moving into more liquid markets by launching a new long/short offering.

Davide Erro

Currently the president and CIO of Turiya Capital, Davide Erro is being acclaimed as the hottest Asian start-up of the year. Polished on stage when speaking of the hedge-fund industry, he is rumoured to have invested a nine-figure sum in the launch of Turiya Capital, of which is the sole owner.

He had been working as the CIO and founder of Gandhara Capital, and the new Turiya fund adopts a similar equity long/short strategy. Before becoming a hedgeie, Erro worked as head of Goldman Sachs' equity arbitrage group in Europe and Asia. Before Goldman he was a global portfolio manager for an equity long/short fund. As counterpart to his investment activities, he is also an author, penning 'Resolving the Argentine Paradox' published in 1993.

Kenneth Hung

Any hedge fund that returns 289% in its third year of operation (2003) will inevitably attract attention, as well as criticism of the 'flash in the pan' variety. But Winnington Capital and its founder, 28-year trading veteran Kenneth Hung, are still here.

The Hong Kong-based firm has grown into a diversified and robust \$1.4 billion business, with two equity long/short strategies – the flagship Trophy fund and Trophy LV – and two property private equity funds.

Trophy posted annualized returns of 24% and Trophy LV 8.4% since their respective launches in 2001 and 2007. The Trophy fund even bettered its 2003 performance in 2006, when it returned 366%.

It will come as no surprise that Hung has been described by a fellow hedge fund veteran as "one of the most driven and accomplished entrepreneurs in our industry".

ALTERNATIVES 3 HEDGE FUNDS

Richard Johnston



Irishman Richard Johnston has the gift of the gab when it comes to Asia's hedge funds and is one of the most prolific spokesmen in the sector.

He joined Albourne Partners in 2004 to head its Asian regional activities providing research on Asian managers and consulting services. Albourne is also the firm behind the hedge fund sector's most left-field and idiosyncratic events, such as Alphatraz in San Francisco and Hedgestock, held at the rock venue Knebworth House in the UK.

He spent the previous decade with UBS in Hong Kong and Singapore including roles as diverse as prime broking, convertible bonds and managing equity proprietary trading.

Christophe Lee



Christophe Lee is best known to the alternatives market as the Hong Kong-chapter Chairman of the Alternative Investments Markets

Association, (AIMA). In that role since 2004, he has the highest public profile as 'official' spokesman for the Hong Kong hedge fund community.

For 10 years until September 2010, his day job was as CEO of SHK Fund Management in Hong Kong. He has recently started a new job, still based in Hong Kong, as a managing director at hedge fund FrontPoint Partners.

George Long



Still vocal and challenging with his hedge-fund industry observations, veteran George Long is the CIO of LIM Investment

Advisors, which he founded in 1995. He is generally regarded as a patriarch of hedge funds in Asia.

LIM (originally Long Investment Management) is an Asian-based investment, management firm that manages both alternative investments and long-only China funds and has offices in Tokyo, Hong Kong and Beijing.

Prior to setting up LIM, he was the managing director and chief investment officer of the Asian operations of what is

now Barclays Global Investors (BGI). He was the founding chairman of the China/Hong Kong Chapter of AIMA from 1999-2004.

Noh Hee-jin



Academics rarely loom large in the Asian hedge-fund industry, but Noh Hee-jin is an exception. Since 1989 he has worked at the Korea

Capital Markets Institute and in 2007 was appointed by the Ministry of Finance and Economy to run a taskforce on hedge funds. That effort saw an initial amendment to a broader regulatory overhaul concerning the establishment of an onshore hedge-fund industry.

The effort didn't work out, due to tax and other concerns, but Noh hasn't let up. This year he has again been tasked by the South Korean government to revise the capital-markets law to encourage onshore hedge-fund activity. He has been vocal in the need for regulators to give hedge funds the necessary freedom to make Korea an attractive environment for them, and to focus regulation instead on who can invest in a hedge fund. It's a work in progress, but Noh remains at the vanguard of helping Korea establish a true hedge-funds industry.

Paul Smith & Joanne Murphy



Hong Kong-based Paul Smith has decades of experience in the finance world and has a reputation of delivering often painful truth.



He currently holds the position of CEO of Asia Alternative Asset Partners, also known as Triple-A Partners, a position he has held

since its formation in January 2007.

Prior to Triple-A's formation, between February 2004 and December 2006, he was the head of alternative fund services at HSBC in New York, and the head of global fund services at the Bank of Bermuda in Hong Kong between 1996 and February 2004.

Joanne Murphy is a high-profile woman in the male-dominated world of Asian hedge funds, an industry in which she also expresses strong views. She

is a colleague of Paul Smith at Triple A Partners, where, since 2008 she has the job of marketing director. She had worked with Paul Smith previously at HSBC Alternative Fund Services.

Prior to joining Triple-A Partners, she was commercial director for Fortis Bank's alternative servicing group, and head of distribution at Deutsche Bank's Asia-Pacific asset-management business for its hedge fund and fund-of-hedge-fund products

John Rodriguez



What's a Puerto Rican living in New York doing on our top-25 list?

Rodriguez is the best-kept secret in Korea and Japan, where this

ex-banker has over the past eight years quietly turned himself into the leading advisor to institutional investors on hedge funds and private equity.

Based on his philosophy of "relationship alpha" – a cross between Confucian obligation and Swiss private banking – Rodriguez has become the go-to guy for funds of hedge funds and other alternative providers looking to tap the Korean marketplace. He has raised over \$600 million from 35 Korean asset owners by fostering confidence and trust, organizing educational efforts and transferring information and skills.

Eddie Tam



Eddie Tam is the CIO of CAI Global Fund, a pan-Asian multi-strategy fund based in Hong Kong. The fund won AsianInvestor's Best Asia

Pacific Fund in 2010. He is the CEO of alternative fund managers Central Asset Investments, which he founded in 2005 along with Vishal Tourani and Armand Yeung. He is becoming an increasingly visible figure in print and broadcast media talking about the local hedge-fund sector. He has been a consistently top performer in the ranks of Asia's hedge-fund managers.

Before becoming a hedge-fund manager, he was chief portfolio manager at Fore Opportunity Fund and before then was head of sales and marketing of Asian derivatives at Credit Lyonnais.

Ophelia Tong & Karl Hurst



We can merge their biographies into one, for Ophelia Tong and Karl Hurst are not only a business partnership but a married couple. They established HT Capital in 2000. It now handles a pair of funds, which manages \$630 million, which is slightly more than they did before the crisis. Karl Hurst is an eloquent spokesman for the industry when behind a mike. Ophelia Tong is the portfolio manager, and the proof of her influence is in how her funds have continued to thrive.



Performance from those HT Capital funds show that the pair remain motivated. The funds were down 5% in the depressed year of 2008, and up 19% in 2009, bringing them back above their high water mark in the second quarter of 2009.

David Walter



Included here for his role as a public guru and sage of the Asian hedge-fund industry, David Walter is a director at Pacific Alternative Asset Management, a fund of hedge funds based in Singapore. He is responsible for Asian-focused investments and acts as head of research for Asia and the Pan-Asia Portfolio Solutions' funds.

He previously performed a similar role for KBC Alpha Asset Management. Before KBC, he co-founded Arbiter Fund Managers, where he established and managed a dedicated Japanese long/short equity fund. Previously, he worked at London and Oxford Capital Markets, establishing and running a Japan-focused multi-strategy fund.

Chris Wells & Sharon Hartline



Chris Wells has his finger on the pulse of everything that is going on in Japanese hedge funds. He is a partner at White & Case in Tokyo, Japan, where he has lived for nearly 30 years.

His area of focus at present is the establishment, operation, and registration/licensing of investment



funds and other fund related investment intermediaries. He is also the chairman of AIMA, Japan.

Sharon Hartline is also a partner at White & Case, and is based in their Hong Kong office.

It is her grasp of matters concerning the legal technicalities when Hong Kong hedge fund managers seek to establish hedge funds that give her influence in the industry. She has also been open to educating the local world about the nuts and bolts of setting up hedge funds and tackling regulatory issues that has contributed to her high public profile.

Martin Wheatley



Since he joined Hong Kong's Securities and Futures Commission in 2005, chief executive Martin Wheatley has been an independent and progressive voice, respected by regulators and regulated funds alike.

Certain jurisdictions responded to the global financial crisis by imposing bans on short selling of shares, but Wheatley resisted the temptation to do the same. He thus avoided the negative unintended consequences of a widespread reduction in liquidity.

He also views Europe's alternative investment fund manager directive as an over-reaction that could effectively create a 'fortress Europe'.

But he is taking an increasingly public stance on the need for regulators to address concerns around high-frequency trading, and has advocated a stamp duty or other means to raise the costs of trading at ultra-thin latency.

Vincent Wong



Vincent Wong is a leading light of the new generation of young Chinese hedge-fund managers based in Hong Kong. It began in simple circumstances, trading as a retail investor when he left college in 2001. Finding he was working round the clock to cover all of the markets in which he traded futures, he formalized an organized platform in 2005.

This has become the Vegasoul Fund, which manages \$250 million. The firm

manages \$400 million in total, and it is still based on fundamentally the same set of models as when Wong was doing it all solo. What makes it remarkable, and has propelled Wong into the spotlight, is its returns. In the last five years, Vegasoul has been up double digits every year, and other managed-futures funds haven't been able to match that.

Wu Huimin

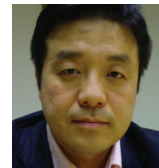
Wu Huimin is one of the new generation of Chinese hedge-fund managers. He has already made a strong impact and is one of the best known of the Chinese managers within the alternatives world. In 2010, he has started (along with Lan Xua and Lu Sun) a new fund, the Trivest China Focus Fund.

Before then, he was a founder of Prime Capital Management from 2004 to 2008, where he managed Dragon Billion Greater China Fund. That particular fund was one of the standouts of the noughties, highlighted by a 126% return in 2006.

Eric Xu & Xin Huang



Eric Xu is managing director and chief risk officer of Hong Kong-based Persistent Asset Management. Via astute risk management and fund selection, the flagship Persistent Edge Asia Partners LP Fund is up 220% since inception in 2004. That includes an increase of 4.02% in



2008, where virtually all funds of hedge funds were down.

From September 1999 until joining Persistent Edge in October 2002, Xu was an investor in, and later became the President of 8848.net, the largest e-commerce company in China. From September 1998 to March 1999 he was president of ClubCiti, the first online auction company in China.

Xin Huang is Xu's partner at Persistent Asset, where he serves as CIO. He is a well-known hedge-fund allocator on the regional industry. Prior to Persistent Asset, he was a senior principal analyst at PointEast Research, where he consulted and provided due diligence for several leading private-equity firms. ■

Jame DiBiasio and Joe Marsh contributed to this story.