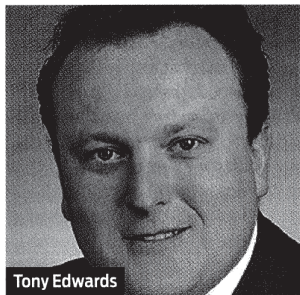


Neuberger Berman strengthens Asia footprint focusing on institutional clients

Neuberger Berman, one of the largest management-owned money managers globally with \$173 billion in assets, is revving up its business in Asia with a key focus on large Asian institutional clients, such as sovereign wealth funds, pension funds and insurance companies.

The firm's strategy is to partner up with these institutions and tailor-made global investment solutions for them, using its investment capability in global equities, global fixed income, China equities, and on the alternatives side, in single/multi strategy hedge funds as well as private equity.

NB has also made some senior-level management changes recently, with Tony Edwards joining as head of Asia-Pacific (ex-Japan) in October. Edwards came from AllianceBernstein, where he oversaw more than \$15 billion in as-



Tony Edwards

sets, and his mandate is to deepen relationships with Asian institutions, grow local presence in key markets such as Australia, Hong Kong, China and Singapore, and identify investment opportunities for the firm's global investors.

"Asian investors are sophisticated and are looking for experienced managers such as us to partner with in order to access global expertise across asset classes,"

explained Edwards.

NB has raised \$15 billion in new client assets globally in the past six months alone. It already runs offices in Hong Kong, Japan, Melbourne and Singapore, and has a 10-person research team in Shanghai led by China veteran Frank Yao.

The China platform runs both long-only and long/short China equities strategies, which have been delivering strong performance. Asia credit is one area Edwards admits NB has a gap in. As Asian credit markets mature, it may look to add capabilities there over time.

NB has also brought in Jason Henchman as its Asia-Pacific COO to lead the build out of its infrastructure, support and control framework in the region. It is also strengthening ties with asset consultants and has hired Chris Gunns from ING Investment as head of consultant relations.

Archer plans to open Asian fund of funds to external investors

Archer Asia Fund, an Asia-focused fund of hedge fund backed by the Rockhampton Management Group, will soon be opening up to external investors.

The initiative is led by Denise Hu, former head of Asia Pacific & Japan investment for SAIL Advisors.

Archer Asia Fund was set up with internal seed capital last April and was officially launched in October. Since then, it has been investing across different strategies and asset classes, ranging from distressed, credit, events, long/short and macro, with about 20 underlying managers as of now.

Hu believes 2009 was an excellent time to deploy the firm's fresh capital. "There were extreme price dislocations in the region, which opened up unique investment prospects that we were positioned to take advantage of," says Hu. The stream of new fund launches hitting Asia opened up avenues to access these opportunities, she adds.

Archer Asia is keen to look at emerging early-stage managers for potential strong returns, along with the more established Asian hedge fund shops, and divides its portfolio into core and satellite positions. Core investments are

meant for managers with a proven track record and sustainable business, and satellite positions are in emerging or niche managers.

The firm's edge comes from the skill set it has developed through its longstanding experience investing in Asian hedge funds.

"We have a solid understanding of not just the funds but also the people behind them," explains Hu. "Many of these managers are second or third generation, having come out of established hedge fund houses that our team has been tracking through various stages of the life-cycle."

Australian CTA H3 eyes rapid growth following Rogers deal

Sydney-based CTA, H3 Global Advisors, is looking to grow its offshore investor base and scale up assets rapidly to about \$1 billion over the next couple years from A\$225 million (\$205 million) at present.

This is on the back of solid performance and a recent deal with Rogers Investments, whereby Rogers is providing \$10 million in acceleration capital from its Asia Emerging Managers Fund

and has taken on the distribution of H3 products globally.

Domestically as well, H3 is targeting superannuation funds that are starting to allocate to alternatives more actively.

The firm is also planning to launch some structured products and capital guaranteed funds that will appeal to offshore investors. Rogers Investments has relationships in key markets such as the US

and Europe, which will allow H3 to overcome its geographical constraint and access that investor base.

The firm's highly liquid H3 Global Commodities Fund was up a solid 13% in 2009. H3 was set up in 1996 by former BNP Paribas and Deutsche Asset Management veteran Andrew Kaleel and Mathew Kaleel, and is 45% owned by Ascalon Capital, which in turn is owned by Westpac Bank.

Rogers' Japan fund of funds gets traction

Ed Rogers' Tokyo-based Rogers Investment Advisors is seeing significant interest in its Japan-focused fund of funds, given the solid performance and a three-year track record being built up by the fund.

The fund has outperformed Topix by over 55% over the past three years and has returned approximately 2.5% for the year to date, beating most benchmark Japan indices.

With that track record, Rogers Investment Advisors expects the fund to scale up to around \$100 million in assets over the next six months, and expects to add investors within Japan as well as in the US, Europe and Middle East.

The Japan fund has around \$15-20 million in AUM at present with 14 underlying managers. Rogers IA considers its comprehensive due diligence, wide coverage and local perspective to be its competitive edge. The firm tracks almost 150 Japanese managers, both within and outside Japan.

Japan strategies are once again ranking high on the priority list of global investors looking to allocate to Asia this year, given the relatively strong performance of the Japan markets and diminished competition in this area.

Rogers IA feels that this will also work in the favour of its Japan fund of funds. The firm looks for underlying managers that can perform across market cycles and conditions, and also those that can improve the overall risk-return profile of the fund's portfolio.

In anticipation of future growth and the successful launch in November last year of its Asia Emerging Managers Fund (a private equity fund which seeds/accelerates emerging hedge funds), Rogers IA has been beefing up its team, growing the overall team in Tokyo and New York to 10.