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Hedge Fund ALERT

Atalaya Exec Starts Marketing Firm

Atalaya Capital's chief fund-raiser has left the distressed-debt shop after eight years to open a fund-marketing firm.

Richard Lieberman, who has raised more than $2.5 billion for a series of draw-down funds Atalaya runs, is calling his new firm **Swiss Hill Advisors.** He'll likely find demand for his services given his track record raising capital for illiquid investments during a period when institutional investors increasingly favored more-liquid strategies.

In a letter to investors this month, Atalaya noted that its latest vehicle, Atalaya Opportunities Fund 6, recently held a first close with more than $450 million, and is about to hold a second close on more than $50 million. The firm, which began marketing the vehicle in the second quarter with a $750 million fund-raising goal, expects to hold a final close around yearend.

In disclosing Lieberman's departure, the letter also said that **Ashley Fochtman** has been promoted to head of business development and investor relations. Fochtman has worked under Lieberman for six years.

Atalaya, whose staff of 33 is evenly split between investment and operations functions, plans to hire another marketing professional to work under Fochtman.

The investor letter also noted that Fund 5 concluded its investment period in July, having deployed $765 million of capital on total commitments of $575 million. "Importantly, we were able to recycle nearly 40% of Fund 5's drawn capital," the letter said.

Lieberman, meanwhile, is setting up shop in New York. In 2010, **Foundation & Endowment Money Management** magazine named him marketer of the year for "marketing a highly illiquid fund at a time when investors were terrified [about] liquidity." ❖

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Hedge Fund ALERT

SEPTEMBER 23, 2015

Carlyle Reshaping DGAM as Liquid-Alts Hub

Carlyle Group is pumping up the marketing capabilities of its fund-of-hedge funds arm as it seeks to promote an expanding menu of liquid-alternative products aimed at retail investors.

Indeed, it appears that Carlyle wants to reposition its **Diversified Global Asset Management** unit by shifting its focus to alternative mutual funds that are designed and managed in house, while de-emphasizing DGAM's traditional role as a fund-of-funds manager. As part of that effort, Carlyle increasingly is downplaying the DGAM label, referring to the business instead as its Liquid Market Solutions unit.

The private equity giant bought the Toronto-based business last year to further expand its footprint in the hedge fund arena, where its holdings also include **Claren Road Asset Management** and **Vermillion Asset Management.** While those operations have floundered amid disappointing returns and heavy investor withdrawals,

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Sio Cashing In on Market-Neutral Approach

The assets of healthcare investor **Sio Capital** have increased nearly five-fold in the past 20 months as investors have been drawn by a combination of strong performance and minimal market exposure.

Sio, led by former surgeon **Michael Castor,** has generated double-digit profits in the past four years with no — or even negative — exposure to the broader market. Consider that the Sio Partners fund gained 4.8% in August, when the MSCI World Healthcare Index dropped 7.5%. Year to date, the fund was up 12.6% as of Aug. 31, versus 5.1% for the index. Sio pegs its average net exposure for 2015 at minus 2%.

It's no wonder investors have taken a liking to Sio as markets have become increasingly volatile. Since the start of 2014, its assets have jumped from $53 million to $246 million.

Healthcare-focused equity funds have put up strong numbers in recent years, consistently outperforming the HFRI Equity (Total) Index. But then, healthcare

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Perry Letter Sheds Light on Russekoff's Exit

An email that **Perry Capital** founder **Richard Perry** sent to investors last week makes it quite clear that chief investment officer **Dave Russekoff** was pushed out for performance reasons.

The message merely says that Russekoff is leaving, and Perry briefly thanks him for his contributions and wishes him well. But he doesn't mince words about the investment operation Russekoff led for the past couple of years. "Over the last 20 months, our performance has been disappointing," wrote Perry, the firm's chief executive officer. "We hold ourselves to a high standard and, unfortunately, have not met our investment goals."

The Perry Partners fund, which had generated a 12.4% annualized return from 1988 to 2012, lost 3.4% last year. The fund gained 21% in 2013, according to **Bloomberg.**

Perry, who has devoted increasing time in recent years to building an art

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THE GRAPEVINE

Emma Sugarman joined startup activist firm **Hudson Executive Capital** last week as head of investor relations. Sugarman most recently was a managing director at **Neuberger Berman,** by way of the firm's 2014 purchase of former employer **Orchard Square Partners.** She also has headed the capital-introduction team at **BNP Paribas,** and has spent time at **Bank of America, Bisys, Olympius Capital, Bowman Capital** and **Highbridge Capital.** Hudson Executive is led by former **J.P. Morgan** executives **Douglas Braunstein** and **Jim Woolery.** The New York operation launched its debut fund last month with an estimated $250 million.

Weeden & Co.'s prime-brokerage unit installed **Will Greco** as a member of its

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