The Americas

Conversus Seeks More Secondary Deals

Conversus Capital Management hopes to spend $100 million buying more secondary funds this year. The $2.2 billion private equity fund of funds firm has already completed three secondary transactions so far this year, including the acquisition of a portfolio of private equity funds from **California Public Employees Retirement System** for $183 million. The other two secondary funds were a small venture fund and a European buyout fund, said CEO **Bob Long.** Together, they were purchased for $15-20 million.

Long said he believes the secondary marker presents great opportunities right now and purchasing secondary funds allows Conversus to tweak its portfolio. The fund is seeking to increase its distressed, European and Asian exposure. More than half of the CalPERS portfolio was distressed, Long said, bringing Conversus' distressed exposure co 5% from l %. Conversus aims to grow ir to 10% this year. The firm invests in I 15 managers overseeing 200 funds.

Conquest Shorts Dollar, Up 24% In 01

Marr Malek

Conquest Capital Group, the $600 million hedge fund firm founded by Marc Malek, is up 24% in its *Conquest Macro Fund* through April 30, primarily due to shorting the U.S. dollar. "In April we weathered the storm in a lot of these markers by being very short-term oriented," Malek said. The fund trades global currencies, fixed-income, government bonds and equity indices, with a small allocation to energy and metal futures. Each trade has a duration of four or five days. Conquest believes the markets are entering stagflation - when inflation and a recession occur simultaneously. "That would be very problematic for the economy," Malek said. "It becomes much more difficult for the central bank to deal with the slowdown chat we're seeing in the economy." The firm's funds tend to generate decent returns when other hedge funds and equities are losing a lot of money. "That's by design," Malek said. "We try to profit from volatility in the marker."

The macro fund has $230 million in assets with a capacity of $1 billion. Malek is speaking with pensions, foundations, endowments, family offices, funds of hedge funds and high-net-worth individuals. Conquest is preparing to launch a quantitative strategy to replicate returns of a long/short hedge fund, following an earlier managed futures strategy that emulated commodity trading advisors (*iialternatives.com*, April 16).

In addition, the firm hired **Tambe Barsbay** as a quantitative analyst. Barsbay started last Wednesday and will focus on the macro fund. Until recently he was at **Georgetown University,** where he received his Masters in mathemacics and statistics.

Ex-Oaktree Analyst Joins Pacificor

Scott Seymour, former credit analyst at **Oaktree Capital** Management, has joined Pacificor in Los Angeles in the same capacity, reporting co ClO Andrew Mitchell.

Seymour focuses on the stressed, distressed debt and special situations space for the firm's *Pacificor I* and *II* funds , and its offshore version, said **Kurt Benjamin,** v.p. of business development. "Bank debt looks interactive and we see corporate defaults rising significantly into 2009," he said, adding that there are tremendous opportunities in the space.

At Oaktree, Seymour worked on the firm's credit hedge fund, primarily researching high yield and distressed investments, and before that, he worked on the distressed team at **SAB Capital Management.** Before graduate school, he was an officer and helicopter pilot in the **U.S. Army.**

Pacificor is raising assets and is speaking with pensions endowments and funds of hedge funds as it seeks to increase assets to $1 bil on from $450 million in the upcoming months, Benjamin said. It was founded in 1995 and also has an office in Santa Barbara.

Crestridge, Magnum Launch Offshore Fund

Crestridge Capital Management has teamed up wirh **Magnum Funds** to launch an offshore version of *Crestridge Va/idus Fund ll*, a lo ng/short fund rhar invests in leveraged exchange-traded funds, or "ult ra" ETFs, as well as stocks. The *Crestridge Capital Long/Short Offihore Fund* launched last week, seeded by Magnum wirh $1 million , said Jason Allen, co-founder of Cresrridge. Crestridge's domest ic long/short fund was up 19% in the firsc four monrhs of 2008, which made che offshore version an amacrive endeavor, said **David Friedland,** president at Magnum. "It demonsrraced that the fund truly generates non-correlated retu rns," he added. Magnum's principals are South African and have significant contacts among non-U.S. investors, providing C restridgewich an investor base char it wouldn't otherwise have access to, said Alle n.

Magnum will p rovide back o ffice support and markecing while C restridge is rhc investment manager. Magnum will receive 35% of fees on money it brings in ro the fund and l 0%