QuantZ Maps Fund-Raising Push

QuantZ Capital, a quantitative-equity manager that has delivered steady returns since launching three years ago, is embarking on its first bona fide marketing campaign.

The firm's main fund, Quark Equity Market Neutral, was showing a 6.7% average annual return as of mid-March, versus a 1.5% loss for the HFRI Equity Market Neutral Index during the same period. Founder **Milind Sharma,** a veteran quant trader, is pitching the vehicle as an alternative to a fixed-income investment, given its low correlation with most equity and hedge fund indexes.

Sharma soon plans to begin meeting with prospective investors in an effort to boost assets under management from their current level just below $100 million. For help, he recently engaged a third-party marketer and is considering retaining a second marketing firm. He's also mulling the idea of hiring an in-house marketing professional.

QuantZ will tell investors they have the option of moving their assets between the main fund and a new vehicle that offers more exposure to the stock market. That vehicle, Quasar ELS, holds the same long positions as Quant Equity Market Neutral but does less hedging. It launched in January with an undisclosed amount of backing from a family office. QuantZ is prepared to temporarily waive management and performance fees for investors willing to commit $25 million or more to the new fund with a three-year lockup.

Before starting his own fund shop in mid-2009, Sharma was a proprietary quant trader at **Royal Bank of Canada.** He also has worked at **Deutsche Bank** and **Merrill Lynch.** ❖

DealVector Plans Loan Buyers Forum

A startup that runs an online community where investors can share information about securitizations is expanding it to encompass whole loans.

DealVector is assembling a network of European syndicated-loan buyers, primarily large hedge funds and other institutional investors in the U.K., France and Germany. Once it gets a core group going, the San Francisco firm plans to expand it to the U.S. and elsewhere. It hopes to make the new community operational within the next few months.

The year-old company seeks to bring transparency to the opaque world of fixed-income trading by giving investors a way to share information about deals such as collateralized debt obligations, collateralized loan obligations and mortgage securitizations. Via anonymous messages, participants can share prices of trades they're seeing in the market, find other investors in the transactions they hold and discuss how they value them. The forum for loan investors would allow them to discuss such matters as covenants and ownership rights on individual deals.

DealVector is currently free to debt investors. The firm charges debt administrators a fee to host forums dedicated to individual issues. That allows them to communicate with investors in a more efficient way than the current system, in which information trickles down to debt holders through a network of trustees and custodians.

For example, in March, **Broadway Financial** used DealVector to contact owners of a collateralized debt obligation that included a debenture issued by Broadway Federal Bank. Broadway was seeking to extend the life of the instrument to avoid a risk of default. An insurance company that owned a piece of the CDO told DealVector chief executive **Mike Manning** that it learned of the request via the forum two days before it received notice from the trustee, giving it more time to respond. Broadway got the extension.

There are now 350 debt investors using DealVector, including **Carlyle Group, Eaton Park** and **Pine River Capital.** ❖

Kenmar ... From Page 1

Gems Investment Research.

At Kenmar, co-founder **Ken Shewer** retains day-to-day responsibility for the firm's vehicles as chief investment officer — with chief executive **Sergio Heuer** also keeping his seat, presumably as a subordinate to Abadi. But Kenmar co-founder **Marc Goodman** has stepped down with plans to seek employment elsewhere.

Gems, founded in 1987, runs some $1 billion. Most of that capital is in multi-manager products whose underlying exposures involve equity or fixed-income funds. The firm also invests in apartment complexes in the U.S.

Kenmar, too, oversees about $1 billion, with an emphasis on offering tail-risk and volatility protection to institutional investors via separate accounts whose underlying managers deal mostly in futures contracts. That marks a decline from $3.3 billion when predecessor Kenmar Group combined with **Olympia Management** of Paris in 2012 to create Kenmar Olympia.

Kenmar's contraction reflects a combination of withdrawals by limited partners, the sale of an annuity business and investment losses. Its losing positions have included stakes in trend-following commodity funds. Those types of vehicles have performed poorly as a whole, with **Hedge Fund Research's** HFRI Macro: Systematic Diversified/CTA Index falling 1.9% in March to finish the first quarter with a 1.8% loss. The index is down 3.9% for the past year, with an average annual loss of 2.5% for the past three years.

Shewer and Goodman founded the original incarnation of Kenmar in 1983 in Rye, N.Y. Heuer came from Olympia. ❖