BRIEF EXCLUSIVES

LAUNCH

TRB Advisors Seeds New Stabilis Capital Fund

TRB Advisors LP, the family office founded by **Tim Barakett**, seeded **Stabilis Capital Management LP**, the $200 million New York-based distressed commercial real estate loans hedge fund, according to a person familiar with the matter. The fund started with $150 million in commitments, including TRB's seed investment.

The firm started Stabilis Fund II, which makes investments in the distressed commercial whole-loan market, on Oct. 28, said the person. The fund invests in smaller non-performing commercial loans and is open to outside investors.

The firm's Stabilis Fund I is a similar strategy that has more than $50 million in commitments and closed in Sept. 2010. **Salman Khan**, managing principal at Stabilis, manages the funds. He was formerly head of the commercial and industrial loans group at **Silver Point Capital LP** for six years and a vice president at **Goldman Sachs Group Inc.** for 12 years.

—Kelly Bit

MANDATE

Augustus Capital Searches for Quant Seed Investments

Augustus Capital LLC, the Harrison, New York-based multi-family office, is searching for quantitative trading funds for seed allocations, according to Managing Partner **Mark Abeshouse**.

"We believe the best mouse traps out there are super fast, quant, algorithmic trading firms," Abeshouse said in a telephone interview. "In the current market place that is experiencing tremendous volatility and whipsaws from one day to the next and intraday whipsaws from one hour to the next, it's not a market that rewards fundamental bottoms-up company-specific analysis or fundamental global macro top-down analysis."

The firm can allocate up to $25 million with an institutional partnership, Abeshouse said. It will consider high frequency trading firms in its search and is looking for firms that are "scalable," with a capacity of $500 million to $1 billion in assets, Abeshouse said.

The firm has seeded about three different funds in the last 12 years. It is sitting on cash and "wide open" to make deployments, he said.

"We're going to be deploying this capital soon," Abeshouse said. "There are firms that have the intellectual property to do ultra fast execution and also have quants that write proprietary computer code used by a lot of prop trading desks. If you can marry those two, that's the Holy Grail."

—Kelly Bit

ON THE MOVE

Barclays Said to Spin Off Rosenstrach-led Arbitrage Team

Barclays Plc will spin off its capital arbitrage team, led by **Philip Rosenstrach**, as a hedge fund on Jan. 1, with the London-based bank and other investors providing about $150 million in funding, according to two people familiar with the matter.

The fund will be called **Pomelo Capital** and be based in New York, said the people. Rosenstrach, 40, and his five team members will run the relative value credit and equity strategy. The fund seeks to raise about $500 million by the end of next year.

Rosenstrach, a Barclays director, was formerly a portfolio manager at **Talek Investments LLC**, a Greenwich, Connecticut-based hedge fund. He has run the capital structure arbitrage portfolio at Barclays in New York for five years, posting positive returns every year, including 7 percent this year.

—Kelly Bit

TREND WATCH

Hedge Funds Cutting Bearish Gas Bets Fuel Rally

BY ASJYLYN LODER

Hedge funds slashed short bets on natural gas from record levels last week, triggering the longest rally since July on speculation that cold weather will bolster heating demand and reduce brimming stockpiles.

Large speculators cut short positions by 25 percent in futures and options in the week ended Nov. 22, according to the Commodity Futures Trading Commission's Commitments of Traders report.

Natural gas climbed all four trading days in the holiday-shortened week as forecasts called for colder-than-normal weather and the Energy Department reported that stockpiles gained less than expected. Traders retreated from the highest number of short bets in records going back to January 2010.

Short bets in four natural gas contracts shrank by 13,494 futures equivalents to 40,125 in the week ended Nov. 22, down from a record 53,618 a week earlier, according to the CFTC.

In other markets, money managers cut bullish bets on Brent crude by 5,356 contracts, or 8.5 percent, to 57,523 futures and options combined in the week ended Nov. 22, according to data released yesterday by ICE Futures Europe.

Managed money positions in gasoline retreated by 3,794 futures and options combined, or 6.5 percent, to 54,943, the CFTC data showed. Bullish bets on heating oil declined for the first time in seven weeks, falling by 2,855 futures and options combined, or 6.6 percent, to 40,881.

The CFTC releases its weekly report on the positions held by large speculators on Fridays at 3:30 p.m. The report was delayed until yesterday because of the U.S. Thanksgiving holiday on Nov. 24.