

Hudson Bay Launches Distressed Hedge Fund

BY KELLY BIT

Hudson Bay Capital Management LP is starting a distressed strategy, with \$250 million of internal capital, according to a summary obtained by Bloomberg.

The Hudson Bay Credit Opportunities Master Fund has been investing since November 2011 as part of the Hudson Bay Master Fund, a multistrategy pool, according to the summary.

The fund's strategies include priority debt, capital structure arbitrage, classical distressed investing and liquidations, according to the summary. It can invest in secured and unsecured loans, equities and trade claims, and sell securities short "as appropriate."

The fund is managed by **Marc Sole**, who was previously deputy portfolio manager at Plainfield Asset Management LLC, where he managed public securities portfolios and oversaw the design of its macro hedging program. Before that, he was co-head of research and co-portfolio manager of the U.S. Credit Opportunities Strategy at D.E. Shaw & Co., having started at David Shaw's firm in 2002 as the first analyst and third employee in the firm's newly-formed distressed securities group. Two analysts and a head trader work with Sole on the Hudson Bay Credit Opportunities Master Fund.

New York-based Hudson Bay was founded in December 2005 by Sander Gerber and today has 53 employees, including 27 investment and risk staff and \$1.5 billion under management.

Charles Winkler, partner, senior managing director and chief operating officer, did not immediately respond to a telephone call seeking comment

Stabilis Starts Third Fund with \$350 Million

Stabilis Capital Management LP, the New York-based firm that invests in distressed commercial real estate loans, started its third fund with \$350 million in commitments last month, according to a person familiar with the matter.

Stabilis Fund III, run by Managing Partner **Salman Khan**, invests in the distressed commercial whole-loan market and in non-performing commercial loans in the \$1 million to \$25 million range, and has closed to new commitments, said the person. About 30 percent of the portfolio can be in performing loans, real estate and European investments, the person said.

The firm's Stabilis Fund I and II are similar strategies also run by Khan. The first closed to new investments in October 2011 with about \$50 million in commitments and the second closed in June with around \$200 million, the person said. The first two funds are currently liquidating existing investments, which typically have an 18-month investment period. Fund I has resolved more than two-thirds of the capital invested and Fund II about 14 percent of the money. Khan has managed Stabilis since September 2010. He was formerly head of the commercial and industrial loans group at Silver Point Capital LP.

Konstantin Shishkin, a spokesman for Stabilis, declined to comment on the start of the fund.

— Kelly Bit

NEW MANDATES

INSTITUTION	ALLOCATION	SEARCH SPECIFICS	RFP INFORMATION
Altin AG	\$5 million to \$15 million per fund	Baar, Switzerland-based fund of hedge funds seeks global macro funds and event-driven managers as it looks to add risk to its closed-end vehicle, Alternative Asset Advisors S.A.	See story, page 5
Teachers' Retirement System of the State of Illinois	N/A	TRS is requesting proposals to provide absolute return investment consultant services.	Responses are due Aug. 9. RFP available online: http://1.usa.gov/161G9I8

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UTIMCO MAY INCREASE ALLOCATION

The University of Texas Investment Management Company proposes raising its hedge fund allocation to 45 percent from 35 percent: From The Minutes, page 5

JUNE FUND RETURNS IN BRIEF

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LIBREMAX SEES 17-MONTH STREAK END

The mortgage-backed securities fund managed by Greg Lippmann in June had its first losing month since December 2011: Fund News, page 4

MARKET CALLS

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DIAMOND HILL HEADS MACRO TABLE

The fund managed by Roderick Dillon and Charles Bath has returned more than 17 percent this year: page 8

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OVER THE HEDGE

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