

Hedge Fund Alert

THE WEEKLY UPDATE ON FUND MANAGEMENT INTELLIGENCE

Two-Year-Old Multi-Strat Debuts New Flagship With \$200M, Plans to Hire Dozens More PMs

Multi-strategy manager **Hurricane Capital** launched its new flagship strategy on June 20 with \$200 million of commitments.

The vehicle, **Ibis Multi-Strategy Fund 1**, is starting by allocating to eight of Hurricane's nearly 50 portfolio managers. The firm expects to swiftly increase that number to a dozen portfolio managers, with plans to max out at 20. The fund is intended to allocate to the best of Hurricane's PMs and have exposure to long/short equity strategies globally while also holding a mix of debt strategies, including government debt and corporate credit.

The Ibis fund immediately deployed \$75 million to \$100 million and is expected to fully allocate its initial capital by the end of the third quarter. The fund carries a net exposure of about 15% to 30%.

With the launch of the new fund, Hurricane runs \$900 million. The firm began trading in April 2021.

Hurricane has other big plans. Over the next 12 to 18 months, it intends to onboard or sign almost 40 additional portfolio managers. That includes five portfolio managers it will bring on this year, with expectations they will manage \$500 million to \$700 million of additional investor capital. Those PMs will include specialists in credit derivatives, government debt and corporate credit.

While the new Ibis fund is intended to remain Hurricane's flagship fund, the firm also expects to roll out a series of other Ibis Multi-Strategy funds that will offer multi-manager strategies tailored to specific opportunities, asset classes and sectors.

Hurricane is owned by three partners: **Chris Napoli** and **Adam Wolfberg**, who previously were at **EastBay Capital** and **Diamondback Capital**, and **Matt DeSalvo**, who has worked at investment banks including **Mizuho**,

Credit Suisse and **Morgan Stanley**. Napoli is the firm's chief operating officer and heads the new fund with Wolfberg, who is its chief investment officer.

Hurricane's approach is to assemble the best portfolio managers it can and set them up as independent subadvisors who run capital only for Hurricane. Then the firm gives investors the ability to pick and choose among its portfolio managers so investors can produce their own custom Hurricane portfolios. Or they can select from commingled funds put together by Hurricane, such as the flagship Ibis fund.

Because of the blended approach, Hurricane has some 60 investment products. That includes one for each of the firm's portfolio managers, covering a broad range of strategies including equities, futures, debt and cross-asset books.

Hurricane is based in New York, where all of the firm's trading is routed, and it's building a Miami office. The firm's next office will be in London, where it also has portfolio managers. Additional PMs are in Singapore and Australia. About three-quarters of Hurricane's portfolio managers have investment staff working with them, with the rest working alone.

Not including portfolio managers and their staffs, which are contracted and are not Hurricane employees, the firm has 21 employees. Hurricane is planning to bring on another eight employees in the next year, with those focused on operations and trading-desk programming. It's also looking to hire investment-staff recruiters.

At EastBay, Napoli headed trading, finance and counterparty relations from that firm's launch in 2013 through 2021. He earlier was a trader for Diamondback's center book portfolio. Wolfberg co-founded EastBay and was that firm's portfolio manager. He also was a PM at Diamondback, **Galleon Asset Management** and **SAC Capital**. DeSalvo is head of portfolio services for Hurricane.

Also on the firm's senior staff is chief risk officer **Ken Grant**, who co-founded **General Risk Advisors**, a risk-consulting business. Grant previously founded **Concept ONE** and worked for **Cheyne Capital**. ■