

# Hedge Fund Alert

THE WEEKLY UPDATE ON FUND MANAGEMENT INTELLIGENCE

## Credit Startup Signs as Hurricane External

Fast-growing **Hurricane Capital** has signed the first of five debt-fund managers it's planning to add to its stable of exclusive but independent investment operators over the coming months.

Hurricane is bringing on **Cimalta Capital**, a startup that will invest in credit products, mainly sovereign debt, across emerging markets. Cimalta is expected to begin trading in the second quarter of next year with up to \$100 million from Hurricane and its investors.

Via its Global EM Relative Value Fund, Cimalta plans to invest in U.S. dollar-denominated government bonds, in addition to quasi-sovereign debt backed by governments but issued by non-government entities. The firm, headquartered in New York, also will take positions in corporate debt across a broad global geography.

**Allan Grauer** and **Jeff Norton**, former **Mizuho** colleagues who have deep experience trading emerging-market debt, formed Cimalta in December. The two share managing partner duties.

With the launch of Hurricane's \$200 million flagship multi-strategy fund in June, the New York firm is running \$900 million spread across close to 50 portfolio managers in an array of strategies. The two-year-old firm expects to eventually deploy \$500 million to \$700 million among Cimalta and four other credit specialists it's looking to sign this year.

All of Hurricane's portfolio managers operate their own firms but run capital only for Hurricane. The firm provides its limited partners with flexibility, giving them

the option to invest with Hurricane's stable of underlying managers individually or to allocate to diverse multi-manager funds assembled by Hurricane.

Partners **Chris Napoli**, **Adam Wolfberg** and **Matt DeSalvo** own Hurricane. Napoli, the firm's chief operating officer, and Wolfberg, its chief investment officer, previously worked together at **EastBay Capital** and **Diamondback Capital**. DeSalvo, whose title is head of portfolio services, has worked at Mizuho, **Credit Suisse** and **Morgan Stanley** in a variety of equity-related roles, including recruiting and sales.

Cimalta's strategy is to run a discretionary book informed by quantitative analysis, with the aim of exploiting both the inefficiency and volatility in emerging-market debt markets to produce uncorrelated returns.

Grauer and Norton, Cimalta's founders, had overlapping tenures at Mizuho. Grauer worked as a U.S.-based managing director for the Tokyo bank from 2013 to early 2020, specializing in Latin America debt. He earlier headed Latin America credit trading at **UBS** and worked as a portfolio manager at **Diamond Notch Asset Management** and as a credit trader at **J.P. Morgan**. In between Mizuho and Cimalta, Grauer spent nearly two years as a managing director at **Amherst Pierpont Securities**.

Norton was a Latin America-focused sovereign debt strategist at Mizuho from 2016 to late 2021. He earlier managed more than \$2 billion in sovereign and corporate bonds in multiple emerging markets during a two-decade span at **Nomura**. Norton began his career at bond house **TCW Group**. ■