

Hedge Fund Alert

THE WEEKLY UPDATE ON FUND MANAGEMENT INTELLIGENCE

Hurricane Backs Two More External PMs

Multi-strategy manager **Hurricane Capital** is in the midst of funding two more external portfolio managers exclusive to it: **Frontier Alpha** and **Sorengo Partners**.

Volatility-focused **Frontier Alpha**, which is to begin trading with \$25 million this month, is led by chief investment officer **Todd Hawthorne**, previously of **Orix Corp's Boston Partners** unit, and **Brian Rauscher**, previously of **Fundstrat Global Advisors**.

Sorengo, which runs a long/short equity strategy, is slated to launch on Hurricane's platform this month with \$20 million. The fundamental stock picker, led by former **Indus Capital** executive **Theron de Ris**, aims to make multi-year investments in quality companies operating in cyclical sectors in North America and Europe.

Based in Mill Valley, Calif., **Frontier Alpha** pursues volatility-related investments via a combination of fundamental and quantitative analysis, with a machine-learning component. The program also includes protections against losses during times of sharp market drops and is intended to produce high returns with low risk. **Frontier Alpha** presents its strategy as a way to diversify portfolios that are heavy on long/short investments.

Hawthorne founded **Frontier Alpha** in 2021. From 2014

to 2020, he worked at **Boston Partners**, where he managed a low-volatility equity options strategy that ran more than \$700 million. He previously oversaw the same strategy at **RCM Capital**.

At least until last year, Rauscher was head of global portfolio strategy and asset allocation at **Fundstrat**, which he joined in 2019. He earlier held the title of chief portfolio strategist at three firms: **Robert W. Baird & Co.**, **Wedge Partners** and **Dahlman Rose & Co.** He also worked at **Fortress Investment**, **Brown Brothers Harriman** and **Morgan Stanley**.

Sorengo, based in Cambridge, U.K., launched in 2017 with de Ris' own money, along with friends-and-family capital. It's produced an annualized return topping 10% with low correlation to equity markets. De Ris joined **Indus** in 2008 and became a senior analyst and executive director at that firm. He also worked at **Morgan Stanley** and **Goldman Sachs**.

Like all of Hurricane's portfolio managers, **Sorengo** and **Frontier Alpha** will run capital only for Hurricane and Hurricane's investors. If those managers already have external investors, such as **Sorengo**, those assets are transferred to flow through Hurricane funds.

Hurricane, headquartered in New York, manages about \$1.3 billion. It's led by chief executive **Chris Napoli**. ■