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A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

SEPTEMBER 11, 2006

VOL. XXXI, NO. 19

Texas Fund Appoints Investment Specialists

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Push Into Alts?

NUMERIC ROLLS OUT TRIO OF HEDGE FUNDS

Numeric Investors, the Cambridge, Mass.-based asset management firm that made its name as a long-only shop, has launched three alternative investment funds this summer, with the third—a market-neutral strategy—rolling out earlier this month, writes *MML* sister publication *Alternative Investment News*.

The *World Market Neutral Offshore Fund I*, with a \$1.5 billion capacity, takes 100-150 long and short positions across all sectors, according to a marketer. The two other alternative

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IRISH MANAGER AIMS TO TAKE U.S. BY STORM

In a drive to become a big player in the U.S. market, Dublin-based **KBC Asset Management** will relocate **Geoff Blake**, head of client development for Europe, to New York next month. Initially, Blake will be the only salesperson in New York, but people from Dublin and Brussels will come to the States to meet with prospective clients. "Hiring more people is not a need right now, but as we keep targeting it will become a requirement," he said. **KBCAM** does expect to add up to three marketers in the next 12-18 months. The firm aims to target pension plans of all sizes, as well as foundations and endowments.

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CANADIAN FUND SEEKS FIRST HEDGE FUND MANAGERS

The **Toronto Transit Commission**, with CAD3.1 billion (US\$3.4 billion) in total assets, will take its first hedge fund stake and plans to hire at least two funds of hedge funds for mandates worth CAD50 million each. It plans to invest in portable alpha via funds of funds in order to enhance returns, said **John Cannell**, treasurer. The move follows a recent asset allocation review to diversify its portfolio, writes *MML* sister publication *Global Money Management*. "We don't consider property to be an alternative, so it was time to look at that

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Half-Year League Tables

ALLIANCEBERNSTEIN, PIMCO CHARGE AHEAD

AllianceBernstein and PIMCO are almost neck and neck after half a year, having gained roughly double the assets of their nearest competitor, **Mellon Financial**. AllianceBernstein gained top honors with 73 net, new mandates from U.S. defined benefit plans and other institutions worth \$12.490 billion. As of June 30, the firm managed \$396 billion on behalf of institutional investors, up from \$359 billion at the end of 2005. New business was spread across domestic, global and international equity, including growth, value and style blend.

PIMCO took second place with 60 net new accounts worth \$11.312 billion. **Jonathan**

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People (Cont'd)

strategy, but Sacerdote said it will target institutional investors and funds of hedge funds worldwide.

Sacerdote, who is the fund's portfolio manager, ran four portfolios in the technology and consumer discretionary sectors at Pyramis. Before that, he was an analyst at Fidelity. His father, Peter, who had a 41-year career at Goldman Sachs, where he was most recently chairman of the private equity committee, is Whale Rock's chairman. Suzanne Rapp joined Whale Rock from HarbourVest Partners as v.p. of marketing and operations. Sacerdote also plans to hire analysts.

Chicago Firm Seeks Marketers

Harris Investment Management is seeking two sales people to add to its four-strong institutional business development in Chicago. The additions are in response to growing interest in the firm's equity strategies from consultants and prospects, said Richard Dabrowski, director of sales and marketing, through the firm's spokeswoman, Colleen Kroll. Harris, which has \$17 billion under management, is seeking people with at least 10 years experience in the institutional asset management business, as well as at least five years of sales experience.

Texas Fund Appoints Real Estate, Pvt. Equity Specialists

The \$22.3 billion Employees Retirement System of Texas has appointed Steven LeBlanc and Ken Mindell as investment committee members specializing in real estate and private equity, respectively. LeBlanc is president and ceo of White Stone Associates and Mindell is the treasurer of Rosewood Management Corp., which manages the assets of Caroline Rose Hunt and her family. The plan is considering carving out allocations to both asset classes, said Mary Jane Wardlow, spokeswoman.

The roles are voluntary, since the investment advisory committee only meets six to eight times a year. Mindell said he was thrilled about the appointment. "It could be a good learning experience, and I hope to add value to the fund," he said. LeBlanc did not return a call. The fund now has a 10-strong investment committee.

The fund has a small commitment to a private equity fund, but no permanent strategic allocation. It has a \$160 million portfolio of real estate investment trusts and has started discussing other types of real estate (MML, 5/5). If the board decides to go ahead, the fund would hire managers, but there is no timetable for a decision. The fund uses Callan Associates solely for quantitative input an access to its manager database.

Manager Research Analyst Leaves Hewitt

David Barnes, an international equity manager research analyst, has left Hewitt Associates after six years to take a similar role with Watson Wyatt Investment Consulting in Atlanta, effective Aug. 28. He is the latest in a string of departures from Hewitt in both the U.S. and Europe.

Barnes is joining Weston Tompkins in Watson Wyatt's Atlanta office, who recently moved from Hewitt to become leader of investment consulting for the Southeast. Tompkins said his and Barnes' moves were not related and he cannot hire former colleagues as part of his one-year non-solicit agreement with Hewitt. He learned of Barnes' application after he had been hired and vouched that Barnes had done an impressive job at Hewitt, after which Watson Wyatt made Barnes an offer. When Barnes applied for the spot he wasn't aware of Tompkins' move. Barnes, who reports to Ron Radcliff, head of international and global equity, declined to comment on the reasons for his departure.

Recent departures from Hewitt in the U.S. include Robert Penter, who headed Hewitt's U.S. investment consulting practice, and Ted Schwartzman, who led the firm's Northeast regional practice in Norwalk, Conn., plus investment consultants Scott Abel, Peter Grant, Nate Krogman and Matt Clink. At least some of these departures were reportedly in reaction to a plan introduced last year to pay staff bonuses based on company-wide performance rather than on individual units. Hewitt has since reversed this plan and guaranteed bonuses to staff to encourage them to stay. "We are aggressively taking actions to ensure that our consultants are appropriately rewarded for, and engaged in, their work with Hewitt. We see significant opportunities for growth in the industry, and we are actively looking to add experts to our investment consulting group across all of our locations," said Maurissa Kanter, spokeswoman.

Loose Change

- Lee Munder Capital Group has hired Gordon Johnson from Evergreen Investments as lead portfolio manager for its new quantitative international equity team. Also joining from Evergreen are portfolio managers Vikram Srimurthy and Shannon Ericson.
- Thomas Lee has launched Lee Equity Partners and hired seven professionals. Earlier this year, Lee left Thomas H. Lee Partners LP, which he founded in the mid-1970s.