

Opalesque Exclusive: Armored Wolf passes \$100m in assets within year of launch with seed funding from NewAlpha

From [Kirsten Bischoff](#), Opalesque New York:
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News of 2009 ending with consecutive monthly net inflows into hedge funds has served up predictions that the industry may be well poised for re-growth as early as Q110. Perhaps of most interest to the legions of small and still young funds that continued to perform well over the past months, is the news that a portion of these investments are being allocated to even recently established managers, as evidenced by some of the latest seed announcements.

[Armored Wolf](#), a global macro hedge fund manager led by former PIMCO portfolio manager and managing director John Brynjolfsson announced its receipt of \$40m in seed money by France-based alternative investment incubation specialist NewAlpha Asset Management. The allocation pushes the firm past \$100m in assets under management less than a year after its global macro strategy launched.

The Armored Wolf Alpha Fund, (which returned approximately +6% in its first 11 months according to industry databases), is a global macro strategy investing in liquid real-return assets (commodities, inflation-linked bonds, emerging market equities, bonds and foreign exchange). Prior to Armored Wolf Brynjolfsson's track record as PIMCO managing director included launching and growing the real-return family of funds to \$80bn.

In addition to the evaluation of a strategy and a manager, seed firms are consistently choosing those firms that have laid the groundwork required to attract and accept institutional sized allocations. For Armored Wolf's team, that infrastructure was in place at launch, an operational commitment that required strong conviction, especially in what many have termed the tightest asset-raising environment in hedge fund history. "Having infrastructure in place was critical to attracting seed capital," Alan Andreini, CEO of California-based firm Armored Wolf told Opalesque.

Joining Brynjolfsson the firm's senior staff includes emerging markets portfolio manager Ronald Solberg, PhD, formerly head of emerging market research and strategy at PIMCO; emerging markets portfolio manager Paul Dickson, formerly head of emerging markets fixed income group at JP Morgan Asset Management; head trader Tim Alford, formerly head trader at billion dollar macro funds Clarium and CRG Partners; chief risk officer Brian Newton, who previously was responsible for risk management at \$45bn London-based Pareto Investment Management; and Mohan Phansalkar, formerly chief legal officer at PIMCO.

"In the current environment seeders need to know that you are capable of running and raising additional institutional assets on day 1 of their investment," Andreini says. This includes performance on the assets being allocated, as well as managing the operational infrastructure required to handle the allocation and the expected ramping up of assets.

The Armored Wolf allocation is the thirteenth seed arrangement for NewAlpha Asset Management. The firm, which was launched in 2003 has invested a total of \$450m in seed capital to new and emerging alternative investment managers.