

Oryx shines at SA Hedge Fund Award ceremony
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Fred Liebenberg

Asset management company Oryx Investment Management won three of the six awards presented at the Old Mutual Symmetry Hedge Fund Award Ceremony recently. The Oryx LLP Fund and the Oryx Segregated Fund won awards for both straight performance as well as risk adjusted returns over different time periods.

According to Fred Liebenberg, Symmetry's Head of Alternative and Absolute Manager Research assets under management in the local hedge fund industry nearly doubled in the period under review and there was a much wider diversity in the hedge funds participating in the Old Mutual Symmetry Hedge Fund Survey compared with the previous years.

'Assets under management included in the Symmetry Hedge Fund survey nearly doubled last year to R8.3bn from R4.6bn. Fixed Interest strategies saw the strongest growth, nearly trebling assets under management to R622m from R270m the previous year,' said Liebenberg.

The winners were picked from the 34 eligible hedge funds that participated in the qualifying Symmetry Multi-Manager Hedge Fund Performance Survey. Trophies were awarded to two overall winners based on their risk-adjusted performance over one and, for the first time, three years. Winners in each of the four hedge fund categories in the survey were also recognised for their leading performance during 2006.

Although participation in the Symmetry Hedge Fund survey is open to any hedge fund, only managers who have at least R5m under management and a twelve-month track record qualified for awards.

Liebenberg said that it was pleasing to see that more and more hedge fund managers have come to market managing other hedge fund styles.

'Last year most new hedge funds traded in the long/short equity sector but that has changed significantly over the past year,' he said. He noted that the number of hedge funds managing Fixed Interest strategies doubled between December 2005 and 2006.

Long/short equity hedge funds were the best performers last year, delivering a median return of 23.6% compared with Market Neutral's median 12.3% and the 23.5% delivered by the Trading strategy hedge funds during 2006. Says Liebenberg, "That is to be expected given that last year was a bull market." Performance in the Fixed Interest strategies reflected the lacklustre conditions in the asset class last year, offering investors a slightly lower median return of 7.9% during 2006 compared with the previous year's 8.1%.

The Symmetry hedge fund winners for 2007:

Best 1 year performance: Fixed Interest Category

The award for the best performing Fixed Interest fund was awarded to the RMB Proton Fund with a return of 14.5% for the year.

Best 1 year performance: Long-Short Equity Category

The top performing fund in the Long-Short Equity category was the Oryx Segregated Fund. For the year, the fund delivered 46.5%, 5% better than the JSE and more than 6% ahead of the next best competitor fund. The Long-Short Equity category is the largest category in terms of both number of managers and assets under management and also delivered the highest average category return of 27.1% for the third consecutive year.

Best 1 year performance: Market Neutral Category

The Market Neutral category was very closely contested with the winner, the Stanlib Quasar Fund, ending the year less than 0.5% ahead of the next two contenders. The Quasar Fund is one of the longest running funds in the market neutral category and was also the winner of the market neutral category award at the inaugural SYmmETRY Hedge Fund Awards.

Best 1 year performance: Trading Category

The Badger Quant Fund from DWT Securities was the best performing fund in the trading category with a return of 42.8% for the year.

Best risk-adjusted performance: 1 Year

The award for the overall best risk-adjusted performance over one year was awarded to the Oryx LLP Fund. Its return for the year of 46% placed it second overall and was achieved with only one negative month and a standard deviation of 9.7%, resulting in an omega ratio of 18.5. The long-short equity category delivered the two best risk-adjusted performances for the year, with the next best fund coming from the fixed interest category.

Best risk-adjusted performance: 3 years

The award for the overall best risk-adjusted performance over three years was awarded to the Oryx Segregated Fund. The fund delivered the second best performance over the last three years with an annualised return of 43.7%, a standard deviation of 10.7% and only 5 negative months, resulting in an Omega ratio of 11.6.

Investors should note that hedge funds remain unregulated with the Financial Services Board still exploring how to incorporate them in the existing legislation.

While it is not illegal to manage or invest in a hedge fund, no disclosure requirements or investor protection regulations apply to funds investing in alternative asset classes. As a result, hedge fund managers are not yet allowed to actively solicit investment into their funds.