



## Elevation lifts off with long/short fund

**New boutique manager Elevation Capital launched one of the first New Zealand-domiciled long/short funds last week.**

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*By David Chaplin*

It is understood the Elevation Capital Multi-Strategy Fund finished its first round of fund-raising and began trading last week after putting out a prospectus last November.

According to the prospectus, the Multi-Strategy Fund "is an alternative investment fund that will take both long and short positions, primarily in securities of listed companies".

The prospectus says its principal investments will be in Australia and New Zealand with leverage limited to 150% of the fund's net asset value.

Elevation, headed by former Goldman Sachs JBWere broker, Christopher Swasbrook, also lodged a master trust document with the Companies Office last November indicating it planned to roll out a number of other funds.

The group is chaired by former head of BT NZ, Craig Stobo, with Andrew Harmos and Stephen Smith also listed beside Swasbrook as directors.

It is unclear how much money was raised for the Multi-Strategy Fund but with a minimum investment of \$250,000 it appears targeted at high net worth individuals.

While long/short managers have been relatively common for some time in other established markets such as Australia and the US, until last year it was virtually impossible to short-sell companies listed on the New Zealand Stock Exchange.

In July 2006 a law change removed a tax impost for lending New Zealand shares to short-sellers opening up a new avenue for both international and local fund managers.

It is understood a number of institutions such as the New Zealand arms of ING and Goldman Sachs JBWere are currently developing stock-lending programs.

Elevation may be one of the first New Zealand-based funds to take advantage of the new short-selling opportunities but at least one other local manager, Logic Fund Management has run a long/short strategy since 2005.

Logic, formed by Gregory Marshall, is a small boutique fund currently managing several million dollars of private money under a global long/short approach with macro-themes of energy depletion and climate change.