

## FUND NEWS

### Ex-Stone Tower CIO Berger Starts Credit Fund Birch Grove

**Jonathan Berger**, the former president and chief investment officer of Stone Tower Capital LLC, started a long-short credit hedge fund, **Birch Grove Capital LP**, with \$300 million in commitments. Birch Grove, based in New York, started trading on Aug. 1, according to a letter to investors obtained by Bloomberg News.

Berger, 44, was responsible for overseeing investments including \$2 billion in credit hedge funds at Stone Tower, a \$17 billion alternative credit asset management firm sold to Apollo Global Management LLC in April 2012.

Birch Grove employs 14 people, seven of whom work on investments, according to the letter. Most of the investment professionals worked formerly at Stone Tower.

Scott Tagliarino, a spokesman for Birch Grove, declined to comment on the letter.

— Kelly Bit

### Pine River to Start China Strategy Overseen by Dan Li

**Pine River Capital Management LP** is putting together an investment vehicle that will focus on China. The firm, which is based in Minnetonka, Minnesota, and has about \$13.7 billion under management, filed with the Delaware Division of Corporations on June 25 to establish the Pine River China Fund LP without specifying how much money it plans to raise, according to state records released last week.

**Dan Li**, who worked for Magnetar Capital Partners LLC and Citadel Advisors LLC before joining Pine River as co-head of Asian trading last year, will manage the China fund, according to a person familiar with the situation.

Patrick Clifford, a spokesman for Pine River at Abernathy MacGregor Group, declined to comment on the fund plans.

Pine River started an Asia fund in 2004 that now has about \$270 million in net assets and focuses on convertible arbitrage, the person said. The firm has 70 employees who work out of three offices in China, including a Beijing operation that does quantitative research and software development. Pine River's Hong Kong office does research and trading, while its Shenzhen office handles fundamental research.

The Pine River Fixed Income Fund, managed by Steve Kuhn, returned 35 percent last year, in part by investing in mortgage bonds. It ranked second in performance among hedge funds managing at least \$1 billion, according to Bloomberg Markets. Deepak Narula's Metacapital Mortgage Opportunities Fund generated a 41 percent gain.

Pine River, founded by Brian Taylor in 2002, is now owned by 16 partners.

— Miles Weiss

### Chapwood's Butowsky Asks to Pull SAC Money Amid Probe

**Ed Butowsky**, managing partner at Addison, Texas-based **Chapwood Capital Investment Management LLC**, said he requested to redeem his and clients' money from SAC Capital Advisors LP amid an insider-trading probe.

SAC, the \$14 billion Stamford, Connecticut-based hedge-fund firm run by Steven Cohen, gave clients an Aug. 16 deadline to request their capital back for the third quarter.

Federal prosecutors announced criminal charges against SAC on July 25, saying the firm engaged in an unprecedented, decade-long insider-trading scheme.

"I never had any interest in taking my money away, but when an indictment is brought on a firm you have no choice," Butowsky said today in a telephone interview.

SAC told clients that final payments for investors making redemptions will be issued at the end of the year. Clients withdrew more than \$3 billion in the first half of 2013. SAC's executives have said they expect the firm to start 2014 with about \$9 billion in assets and that almost all outside investors will be gone by then.

Jonathan Gasthalter, a spokesman for SAC with Sard Verbinnen & Co., declined to comment on the redemption request.

— Kelly Bit

## FROM THE MINUTES

■ **Employees Retirement System of Texas** is considering activist, emerging market credit and long-short real estate investment trust strategies, according to a slide from its Aug. 20 board of trustees and investment advisory committee meeting. Hedge fund allocations for ERS's 2014 fiscal year may also include global equity, global credit, real assets and special situations. <http://bit.ly/17kr8LR> (see agenda 4c)

■ **Contra Costa County Employees' Retirement Association** will discuss "investment consultant options" at its board meeting tomorrow, according to a memo from Chief Executive Officer Marilyn Leedom and Chief Investment Officer Timothy Price. The pension had a 10 percent target for alternative investments, 6 percent of which was allocated as of March 31. <http://bit.ly/1cBs02n> (agenda) <http://bit.ly/1ea6MDa> (asset allocation)

■ The Pension Reserves Investment Trust Fund, which manages the assets of **Massachusetts State Teachers' and Employees' Retirement Systems**, had 9 percent of its core assets allocated to hedge funds at the end of last year, according to its annual report filed on Aug. 28. <http://1.usa.gov/19exqOB> (see page 21)

■ **The Firemen's Annuity & Benefit Fund of Chicago** was scheduled to discuss an investment committee "request for authorization for drawdowns" at its Aug. 21 meeting, according to the agenda. <http://bit.ly/19eyC4y> (agenda) <http://bit.ly/175651t> (list of managers)

For news on mandates type **NI MANDATE** on the Bloomberg terminal