

Some investment strategies for 2009

Closed end funds:

- Fund structure mitigates investor risk
- Suitable for arbitrage strategies
- Suitable for relative value strategies
- Suitable for distressed and private equity strategies
- Lends itself to efficient and risk controlled deployment of leverage
- Technically complex strategies which rely on multiple trade legs

Distressed investing:

- Current cycle is attractive for distressed investing
- Distressed assets and distressed pricing in developed markets
- Distressed pricing and performing assets in emerging markets

Recovery strategies:

- Distressed strategies are a subset
- Deep value equity
- Deep value credit

Direct lending:

- Dearth of credit, easy or otherwise
- Banks are retrenching from the market
- Spreads and margins are priced for distress despite strong and performing obligors
- Bespoke deal structures to mitigate specific risks
- Trade finance

Stale strategies:

- Short or market neutral credit
- Short or market neutral equity
- Long volatility – vega
- Systematic global macro

Fresh strategies:

Long equity

Long credit (including CBs and private CBs)

Capital structure arbitrage

Distressed investing: control over asset

Factoring, receivables finance, trade finance

Fixed income arbitrage

Risk arbitrage – cross border strategic