

# 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