



BlueMountain Taps Alyeska's Patel in Equity Business Reshuffle 2018-04-11 12:00:00.5 GMT

By Katia Porzeczanski

(Bloomberg) -- BlueMountain Capital Management made its first senior hire since retooling its equity business under Lance Rosen, tapping Sanket Patel from Alyeska Investment Group to manage energy investments.

The firm, which has \$11.5 billion in hedge funds, shuttered its dedicated long-short fund last year and is building a stock business with multiple sector-focused portfolio managers running capital allocated from other products, co-founder Stephen Siderow said in an interview. Patel joined Tuesday after six years as a money manager specializing in energy at Alyeska, the Chicago-based hedge fund started by Citadel alumnus Anand Parekh.

BlueMountain returned about \$600 million to investors after the fund shutdown. The restructuring, which saw the hiring of Rosen from Kinrose Capital Management to oversee equities and the departure of money manager David Zorub, will also include the addition of a senior manager focused on the financial sector, Siderow said. Jared Gould was promoted from senior analyst to oversee global industrial companies. BlueMountain recently hired two analysts for Gould's team and plans to add two more to report to Patel.

Branching Out

The New York-based firm's fundamental equity strategy will run \$500 million to \$1 billion of capital from its \$5 billion multistrategy Credit Alternatives Fund and \$4 billion in single-investor funds. BlueMountain has no plans to start another vehicle similar to the now-shuttered Long-Short Equity Fund, which peaked at about \$890 million in assets in February 2016. BlueMountain has branched out since its founding as a credit-focused hedge fund in 2003 by Andrew Feldstein and Siderow. It's combined fundamental company analysis and quantitative techniques to invest in areas such as real estate, private equity and stocks as well as public and private credit. The firm oversees \$21 billion across products, including \$9.5 billion in collateralized loan obligations.

Having sector-focused teams will enable the equity business to better use the data sets and analytics provided by BlueMountain's systematic platform in making investment decisions, Siderow said.

The long-short equity fund, which started in 2011, made an annualized return of about 7 percent since inception, and was up about 2 percent in 2017 before shuttering, according to an investor document seen by Bloomberg. BlueMountain's flagship multistrategy fund rose about 1 percent last year and was up 0.6 percent in 2018 through March 23.

To contact the reporter on this story:

Katia Porzecanski in New York at kporzecansk1@bloomberg.net

To contact the editors responsible for this story:

Margaret Collins at mcollins45@bloomberg.net

Josh Friedman