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HCM preps quant macro debut as flagship delivers 36% YTD

Lower vol White Tiger Core Fund SP to launch in August

Rodney Diola

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Singapore-based [Heritage Capital Management](#) is to launch another macro quant fund with a lower volatility target than its flagship [HCM White Tiger Fund](#).

The Cayman-registered [HCM White Tiger Core Fund SP](#) is launching in August and will target a 10% return volatility compared to the 30% goal of the flagship.

HCM partners will seed the new fund, which will be run by CIO Jeff Hu, who also runs the firm's flagship offering, which debuted in October last year and has returned 14.5% since inception after a 16% loss in Q4.

The HCM White Tiger Fund posted a 36% return in the first five months of 2022, placing it among the best performing global quant macro funds this year.

The fund experienced a 0.5% loss in May after a loss in equities wiped out slight gains in FX and commodities. During the month, most of its gross exposure was in commodities at 74%, 17% in FX, and 9% in equity.

It posted a 17% return in March and an 8% gain in April.

Hu used to run the Paraclete Fund, which HCM closed in May last year after running for five years, with the fund returning 174% over that period.

HCM decided to relaunch the strategy after Hu modified the fund's algorithm,

especially its stop-loss features.

HCM White Tiger started with \$60m, \$40m of which came from Heritage Capital founder Chan Wing Cheng and Hu. AuM currently stands at \$80m, according to With Intelligence data.

The manager aims to attract more institutional clients to the new fund as well as to the flagship fund, which has an estimated \$5bn capacity.

The fund employs a quantitative strategy that systematically constructs a liquid and diversified portfolio across global public markets in equities, bonds, commodities, and currencies based on statistical patterns.

Chan, an ex-Drexel Burnham Lambert prop trader, started Heritage as a long/short equity outfit back in 1997 but decided to shift focus to systematic quant investing with the launch of the Paraclete Fund in 2016.

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