

Brummer-Backed Florin Court Gets Sizeable Allocation

Stockholm (HedgeNordic) - Brummer-backed CTA Florin Court has received a sizeable allocation from the NYC Police and Fire Pensions. The pension schemes allocated a combined USD134 million to the London-based manager last month, Bloomberg reports.

Florin Court, who manages a trend following strategy focusing on less liquid or exotic markets (see HedgeNordic interview [here](#)), said that the allocation was a result of the pension looking for increased diversification at a time with challenging equity market valuations and rising interest rates.



"Given where equity markets are and where interest rates seem to be headed, they're looking for extra diversification," Doug Greenig (*pictured*), the founder of Florin Court and a former chief risk officer of Man's AHL unit, said of the pension allocation. "The exotic, alternative markets angle was critically important to them."

Even though Florin Court is the only manager focused on illiquid markets in the USD50 billion pension scheme's portfolios, it is by no means the first allocation they do to quantitative funds or even to trend followers. According to New York City Police Pension Fund public documents, its quant allocations include D.E. Shaw & Co. along with Quest Partners LLC, whose main offering is a CTA.

This exotic breed of CTAs has been an increasingly popular choice given the crowded nature of standard products, Greenig said. Still, with returns picking up for all types of trend-following, CTAs across the board may see new inflows. Florin posted a 6.3 percent return in August, while Soc Gen's CTA index posted 2.6 percent.

"The one part people still care about is the alternative or exotic market space, but the tone may be changing. People like to see returns and then they start getting excited", Greenig concludes.

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