

## **New Funds**

### **Simran Capital Management launches high yield fund**

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9:50 AM EST

Chicago-based Simran Asset Management was set up to take an activist role in distressed fixed income investing. It launched its first fund, the Simran High Yield & Distressed Alternative Strategy Fund, this summer.

The company says it closed the fund in September due to strong demand, though it may reopen again later this month. The company has already attracted institutional interest, attracting investment from a large West Coast fund of funds and a large investment bank.

The managers are Mesh Tandon and Jon Thomas. Tandon, Simran's president, worked in high-yield investment banking at Salomon Brothers and JP Morgan Chase.

The managers are looking to target positions in "pre-event driven" stressed fixed income products. The managers estimate they have worked on more than 100 high yield funds, advising them on strategy and trading.

The company hopes the fund will prove popular due to its relatively cautious approach to high yield and distressed debt investing. The managers have designed the fund to have no correlation to spreads or interest rates.

Simran Capital is positioning the fund as the most risk-averse fund of its type, and the new product will not be using leverage, although it is targeting annual returns of 20% or more.

The managers say they are using an investment banking approach to fundamental analysis, based on a proprietary statistical model.

The minimum investment is \$1 million. The fund charges an annual 2% management fee and a 20% performance fee. It does not have a lockup period.

The prime broker is Goldman Sachs.