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*Weekly News*

▲ **Octagon focuses on the short side**

Octagon Capital has brought to market a short-biased directional pan-Asia equity fund, targeted at investors looking to hedge their predominantly long-biased portfolios or having a bearish view on the market. The objective of the fund is capital preservation and making money when the market moves downwards.

Octagon already runs a pan-Asia equity long/short fund that has given around 20% annualised net returns since its inception in October 2004. Year to date returns are 12% (as of end October 2006).

The short side of this particular portfolio has done very well both in terms of timing and stock selection, giving the firm solid a track record in this area.

Given that most hedge funds in Asia tend to be long-biased, a dedicated short strategy is generating a buzz amongst investors. The fund is expected to maintain a net short position at all times, and the net exposure will range from -20 to -200%.

The Octagon Tactical Short Fund has launched with \$5 million and the capacity is between \$100-200 million.

Octagon was set up by former Government of Singapore Investment Corporation (GIC) veterans Lam Poh Min and Nelson Chia. Lam was a senior portfolio manager in the quantitative investment unit of GIC, while Chia was an equity trader.