

Roos and Berman ready **Oakhaven Capital** for Q1 2013

Johannesburg-based Oakhaven Capital is preparing to launch its fixed income hedge fund in the first quarter of 2013, headed by former senior Standard Bank investment duo Johan Roos and Jeremy Berman.

Established in mid-2011, Oakhaven will focus predominantly on the South African fixed income markets, generating returns through a blend of strategies.

Before starting Oakhaven in June 2011, Roos was director and head of rates trading at Standard Bank, where he was responsible for all local and G7 rates trading, managing a team of 20 people. He was a member of the corporate and investment bank's global markets treasury executive committee, and a participant in the interest-rate view and outlook committee, also participating in various market-guiding forums. He started his trading career at J.P. Morgan in Johannesburg in 1998, joining Standard Bank's interest-rate trading desk in 2002 where he rose rapidly through the ranks.

Oakhaven co-founder Berman began his trading career at Standard Bank in 2000, and was responsible for trading and market making of the South African government yield curve as well as actively trading the South African swap curve out to 30 years. In addition to this as a hedging strategy he traded in emerging and developed markets. He was also responsible for trading and maintained the bank's inflation-linked book from 2003 to 2007. He left Standard Bank in late 2007 to form private property fund Consolidated Urban Corporation focusing on the regeneration of inner-city properties in Johannesburg.

The investment team is supported by Michael Creedon and Paul Berman in business development and marketing. Creedon was until recently based in Switzerland as managing director, head of the emerging markets and equity derivatives business line at pan-European brokerage Kepler Capital Markets and an executive board member. He covered the global emerging-market

space with a front office of 35 brokers. Paul Berman began his career at Credit Suisse Financial Products in London in 1997 working on their equity derivatives desk, before branching out into the entrepreneurial world where he launched and managed businesses in London and New York. He returned to South Africa in 2006 as managing partner at Consolidated Urban Corporation, building a R110 million portfolio of inner-city buildings.

Oakhaven aims to deliver returns blended from cyclical, secular, relative value and directional opportunities across government bonds, credit, cash and interest-rate derivatives such as FRAs, swaps and options. The investment process is underpinned by extensive macroeconomic research to identify opportunities and market anomalies and control risks on a daily basis.

The investment team will be looking to offer a low-volatility strategy with an absolute-return focus, seeking to outperform money-market rates over time.

"Markets are not just driven by funds any more, there is less risk appetite at banks which means flows are cleared a lot quicker. You have to stick to your parameters to do well in this market," says Roos. "We are conservative and disciplined traders – and aim to offer our investors consistent and stable risk-adjusted returns. We are not the biggest risk takers – we know our objectives and what we are trying to achieve."

"With global intervention in the markets and political uncertainty there has been a lot of volatility, which creates opportunity," he adds.

Oakhaven is taking a disciplined approach to building the business, spending the past few months refining processes and putting in place external service providers. The team is currently trading their own capital with a view to opening to external investors early next year.



The Oakhaven team: l to r, Paul Berman, Michael Creedon, Johan Roos, Jeremy Berman