

Ex-Tudor Fund Manager Mathews Said to Plan Commodity Hedge Fund

By Chanyaporn Chanjaroen

Nov. 4 (Bloomberg) -- Steve Mathews, former head of commodities research and fund manager at Tudor Investment Corp., plans to start a commodity hedge fund as investor appetite for risk returns.

Flintlock Commodity Opportunity Partners LP starts in January, two people familiar with the plan said, declining to be identified because the information is private. Flintlock will focus on 24 commodities, according to a marketing document obtained by Bloomberg News. Kirk Rostron, managing partner of Mt. Vernon Group LLC, which represents Flintlock, declined to comment. Mathews spent more than 12 years at Tudor Investment, the \$11.6 billion hedge fund run by Paul Tudor Jones.

Assets in commodity hedge funds expanded 7.3 percent in the third quarter to \$60 billion, according to New York-based Hedgefund.net, as demand for raw materials rebounded from the worst recession since World War II. Copper more than doubled this year and oil jumped 79 percent, contributing to a 22 percent advance in the S&P GSCI Enhanced Total Return Index.

“Commodity hedge funds that ran into a stone wall six months ago now are finding the door opening,” said George Stein, managing director of New York-based Commodity Talent LLC who recruits for hedge funds and banks. “Investors are opening the door a crack.”

Louis Dreyfus Investment Group’s commodity hedge fund, started in November 2008, more than quadrupled its assets to \$410 million. Galena Asset Management Ltd.’s metals fund stopped taking money from investors after assets grew more than the fund’s \$650 million capacity.

Tudor Returns

Mathews’s fund at Tudor returned 23 percent last year, 24 percent in 2007 and 12 percent in 2006, according to the fund document. It had made 2.2 percent this year, according to the fund document, which cited unaudited data and was dated Oct. 1.

The minimum investment in the new fund is \$1 million, and \$30 million for a managed account. Peter M. Dawkins, former principal at ShiningStar Capital, is senior partner. David J. Walker from Tower Capital Asset Management is chief operating officer.

Before working at Tudor, Mathews was an analyst at Citigroup Inc. and Bear Stearns Cos.

Hedge funds are mostly private pools of capital whose managers participate substantially in the profit from speculation on whether the price of assets will rise or fall.

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George H. Stein, CFA
Managing Director, Commodity Talent LLC
T +1 917 545-9850
E ghstein@commoditytalent.com