

Porträt



Profile of a Talent Scout

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Charles Abrecht has ambitious goals. His golf handicap is 3.8, he is the drummer in a salsa band that plays in the East Village, Manhattan, every Sunday, and as co-founder of Fairway Investment Partners he has set himself the goal of delivering superior returns for his clients, and so far he has managed to achieve that very well. Abrecht, who is heading for his 51st birthday, runs the Stafford Fund from a small office on New York's prestigious Madison Avenue. The Stafford Fund invests in hedge funds and has generated an average profit of 11.4% p.a. – after fees – since it was launched in 1993, a far better performance than most equity indices. Abrecht's target, and his recipe for success, is selecting the best hedge funds from the thousands on the market. In short, he sees himself as a "talent scout" dedicated to rooting out the most talented fund managers.

Abrecht was born in Calcutta where his father, who is in the watch business, was the national representative of Omega and Tissot. By 1956, when Charles was born, the family had lived in Calcutta for more than half a century: his grandfather had emigrated there from Lengnau in 1908. From the age of nine Charles lived in Switzerland, where he went to school and later studied economics. In 1981 he went to the USA to study at Harvard for an MBA – and stayed. He spent three years working at the private bank Brown Brothers Harriman, and then moved to First Boston in 1985. In 1992 he decided it was time to start his own business and established Fairway Investment Partners with his long-standing friend Francesco Andina, who had previously worked for Julius Baer and Vontobel. Their friendship dates from the 1970s when they played in Switzerland's junior golf team. In fact, the company's name is derived from their shared sport: in golf, staying on the fairway at each hole is a way of minimizing risk.

Fairway's flagship, the Stafford Fund, was one of the first fund of funds in the hedge fund sector. From the outset Abrecht and Andina invested entirely in hedge funds with long/short strategies focused on liquid equities. Abrecht says he has never understood why so many hedge funds use interest arbitrage. He is convinced that problems like those that led to the collapse of two Bear Stearns funds in June are most unlikely to hit funds operating a long/short strategy in liquid equities. He also avoids leverage – the use of debt to optimise returns – wherever possible. The Stafford Fund does not leverage its investments and only invests in hedge funds with maximum leverage of two to one. Abrecht is convinced that high leverage is not necessary to achieve double-digit returns on equities.

Today, Fairway has assets under management totalling CHF 400 million. The company has had an office in Zurich since 1995. Andina runs the Swiss side of the business while Abrecht runs the US office. He lives with his wife in the West Village, New York, close to the Hudson River, but spends about a third of his time in Switzerland, preferably in Basel. Even there, he does not have to take time away from his hobby as a timbalero: he is also a passionate drummer in Basel's Ueli 1876 carnival band.