

SureFire Capital's multi-strat fund of funds stands out in a challenging year

An emerging fund of funds from Montreal-based family office SureFire Capital is topping performance award lists in 2020.

SureFire Multi-Strat has posted double-digit returns this year through its combination of niche strategies that trade across asset classes. The fund uses a range of strategies including short-term long/short; pair trading, opportunistic credit and market neutral among others. The approach recently topped Preqin's list of outperformers for the year.

The fund invests in underlying managers through separately managed accounts. "We want to have complete transparency into the strategies," explains Ariel Shlien, CEO of SureFire Capital in an interview with Opalesque New Managers. "The separately managed account structure also allows us to get better terms



[Ariel Shlien](#)

and keep fees low." In addition to investor-friendly terms, SureFire has also waived the management fee for the fund.

According to Shlien, the overall goal is to provide investors with a diversified fund that includes strategies that are both uncorrelated to the broad market and to each other. In order to achieve this, Shlien and his team have reviewed approximately 200 managers per year and may only invest in 1-3 of the lot.

"The big thing for us is finding managers that are active traders," Shlien says. "We aren't looking for traditional long/short or buy and hold managers. We want to see dynamic strategies - so that narrows the field considerably."

SureFire wants managers that have high absolute returns. Strategies that beat a benchmark by a few points aren't active enough to get the firm's attention. The investment team also actively prunes relationships if managers underperform for long periods or drift away from the original strategy. Over the long-term, Shlien wants the multi-strat vehicle to be a place where SureFire can capture the best opportunities of the moment without getting

locked into specific manager relationships or strategies. Ultimately, the fund is designed to be true opportunistic absolute return.

Many of the managers that SureFire looks at come through as recommendations from its 1100 member global investment club. The invite only club - launched in 2016 - has grown steadily over the years and includes a mix of ultra high net worth individuals and other family offices. In addition to SureFire's own funds, the club looks at other investment opportunities and collaborates on manager due diligence. SureFire invests its own capital in opportunities before club members are invited to participate. This is also true for SureFire's funds. "We're really investors first," Shlien explains. "We have a robust screening process in place for everything but it's important to us to have our own capital invested as well."

Over the next year, Shlien plans to continue refining the mix within the multi-strat fund. "We are pleased with the performance to date, but we want to stay on top of shifts in the market," he says. The fund is open to outside investors.

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