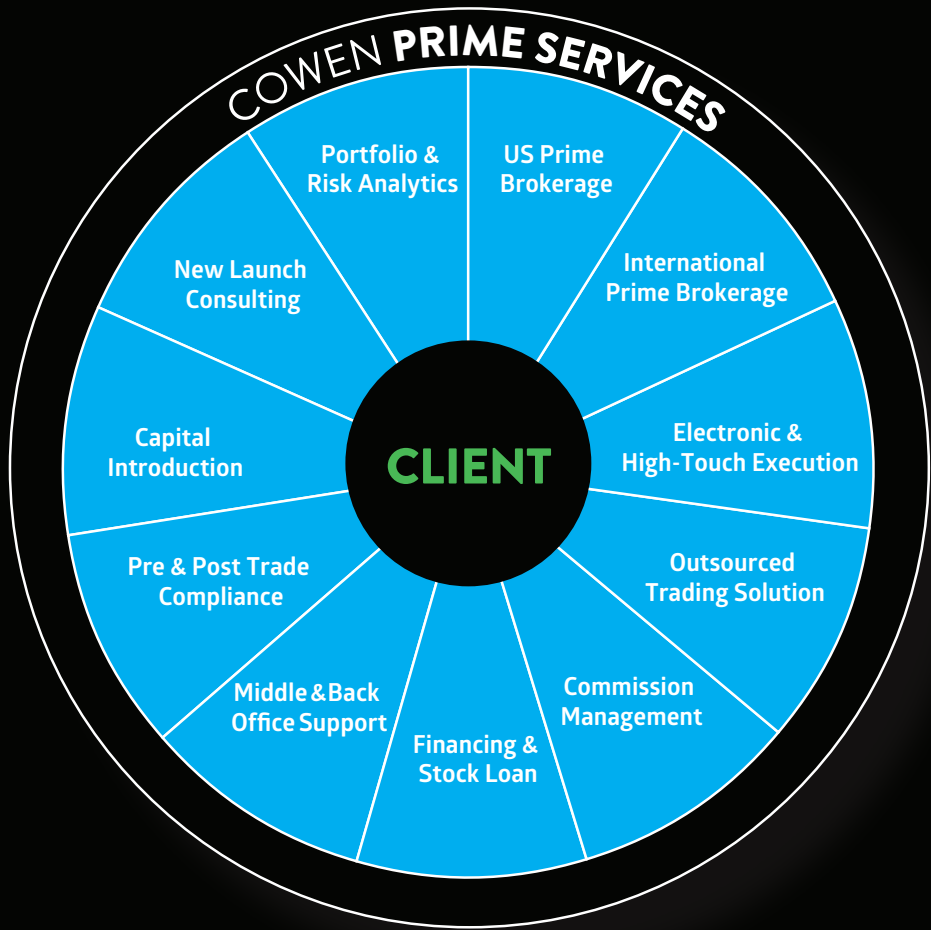


# COWEN



## LAUNCHING AN **ALTERNATIVE INVESTMENT FUND**

**COMPREHENSIVE SOLUTIONS FOR INVESTMENT MANAGERS**

**2018**



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## INTRODUCTION

Starting your own alternative investment fund is a formidable undertaking, and while it can be an exciting and lucrative endeavor, it will require a great deal of thought and careful planning. Cowen Prime Services, LLC (“Cowen”) has been involved in new fund launches for many years and has played a key role in getting a large number of managers started as well as helping them navigate their various growth phases. Our experience suggests that when investment managers make the right decisions early on, it dramatically enhances their success rate.

Making the right decisions can mean many things, but it must begin with the development of a sound business plan. This will not only help the manager articulate his or her investment strategy and process, but importantly also understand the various costs that he or she will need to incur to establish and manage a business that will be institutionally sound. It also means making the effort to investigate the key service provider options and selecting those that will make an appropriate match for the manager’s needs beyond just the near term.

At Cowen we remain committed to active investment management. Though recent trends suggest that an increasing share of investment capital is flowing into various types of passive strategies, our firm believes in the notion of investment outperformance, and everything we do - the proprietary investment research we produce, the insightful investment ideas we generate, the non-conflicted trading and execution services we provide, the high quality capital markets transactions we bring to market, and the comprehensive prime brokerage solutions we offer – is aimed at supporting active portfolio managers and helping them to outperform their peers.

We believe the alternative investment industry will continue to expand in coming years. How capital is allocated to the industry may continue to change, and the fees paid to hedge fund managers may compress further, but the continuing flow of talented investment managers eager to strike out on their own remains encouraging. Our constructive view on the industry is also driven by the increasing capital allocations finding their way to emerging managers, which in our view is a reflection of the long track record of better returns generated by this group compared to their much larger counterparts.

Cowen offers emerging managers a comprehensive set of solutions ranging from extensive pre-launch consulting, to custody, clearing and execution, to pre and post-trade compliance, to operational support, portfolio and risk analytics, and capital introduction. As our client, you will benefit from our seasoned team, our client centric service model, our extensive market expertise, and our top-tier technology platform. We will be a partner to you in your new venture, facilitating your launch in a timely manner and assisting you in the development of your marketing and growth plan.

As you no doubt consider other service providers in the marketplace, before you make any final decisions we urge you to talk with us. We believe we bring several key differentiators to our offering. First, our founders were hedge fund managers themselves, understand what it’s like to manage both an investment portfolio and a business, and have led the development of the firm’s solutions from the user’s perspective. Second, new fund launches have been a focus of our firm since its founding, and we can deliver to you the benefits of the enormous amount of experience we’ve gained over this time frame covering all aspects of setting up a new fund. And finally, the breadth of our offering is unmatched in the marketplace, as we’ve outlined above.

We have created this booklet to serve as a guide to the key issues involved with launching an alternative investment fund. We hope you find it a useful tool, and look forward to the opportunity to work with you on your upcoming launch. We wish you and your partners the best in your new endeavor.

Sincerely,

[The Cowen Prime Services Team](#)