

# Hedge Fund ALERT

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## Activist Adds Long-Only Product

Activist investor **Blue Harbour** has launched its first long-only fund.

Blue Harbour Active Ownership Partners began trading Jan. 1 with close to \$100 million. Like the manager's flagship Blue Harbour Strategic Value Partners, the vehicle invests in small- and mid-cap companies in the U.S. with the aim of becoming their most influential shareholder — but without the main fund's short positions or hedges.

The variation in strategy came in response to requests from investors, including some pension systems that can't back funds that take short positions. In addition, "there are some people who just want to play the alpha creation of the activist strategy, without worrying about the hedging and shorting," one source said.

Blue Harbour's \$1.2 billion flagship fund gained 16% in 2012, compared to a 9% return for the HFRI Event-Driven (Total) Index. The profits were driven in part by positions in clothing maker **Warnaco** and radio-ratings company **Arbitron**, according to a letter sent to investors last week.

**Clifton Robbins** founded Blue Harbour in 2004, following stints as a partner at private equity firms **Kohlberg Kravis Roberts** and **General Atlantic Partners**. Blue Harbour's backers include **California State Teachers**, which invested \$200 million with the firm in 2011. ❖

