

Ex-AQR and William Blair pros launch interval fund of private credit funds

Alternative Fund Advisors plans to open private credit markets to retail via Fidelity and Charles Schwab

Ex-AQR Capital Management principal, Marco Hanig, has teamed up with former William Blair partner and head of advisor solutions, Michael Jancosek, to launch an interval fund platform.

Boston-headquartered Alternative Fund Advisors (AFA) launched its maiden fund on 30 June with \$30m in seed money from a large family office and a private investor. The AFA Multi-Manager Credit Fund invests in public and private debts markets via specialist managers.

The fund has allocated to managers including Brigade Capital Management, Serone Capital Management, and Alcova Capital.

In a call with PCFI, Hanig and Jancosek said the fund has a multi-billion-dollar capacity and that they would add underlying managers in line with asset growth.

The pair are in the process of adding the fund onto the Fidelity and Charles Schwab platforms, which are the major custodial platforms used by RIAs. They will also be marketing the offering to multifamily offices, wealth and private banking platforms.

AFA has partnered with AON who sub-advises the fund. In addition to sourcing underlying managers, AON is responsible for investment and operational due diligence.

Prior to founding AFA in January 2020, Hanig was a principal at AQR. He set up and led the firm's liquid alternatives business which grew to manage over \$40bn. Prior to that, he worked alongside Jancosek at William Blair, first as president of the William Blair Funds and later as chief operating officer of the firm's investment management division.

Jancosek worked with William Blair for over two decades between July 1999 and December 2019. He was responsible for marketing and distribution of the firm's \$16bn mutual fund business and separately managed accounts. He is a veteran of the mutual fund industry having previously worked for Bank One, First Chicago Bank, AON, and Northwestern Mutual.

Other key members of the AFA team include chief investment officer Mike Dowdall, who was most recently a portfolio manager in the multi-asset solutions group at BMO Global Asset Management. Prior to that, he was an investment analyst at \$13.8bn hedge fund solutions group, Lighthouse Investment Partners.

Former AQR executive director, John Olsen, has also joined AFA as a principal of investor relations. Olsen spent ten years with AQR and has previously worked with Natixis and Columbia Asset Management.

Hanig and Jancosek told PCFI that they intend to build a family of interval funds and are speaking with wealth advisors to determine their needs. Future launches could focus on co-investments, private equity secondary markets, credit, infrastructure, and real estate.

The nascent interval fund industry has seen rapid annual growth in recent years. Interval fund assets peaked at over \$35bn at the end of 2020, up 12% on the previous year. According to data provider Interval Fund Tracker, credit is the fastest growing category within the interval fund market, accounting for around \$9bn in total AuM.