



New Amsterdam plays loan markets in the credit space

Don Procter, John Seal and Jeroen Zuurmond have come together to form New Amsterdam Capital, which went live this month with the latest addition to the continuing surge of new credit-related strategies launching in Europe. The team's new NAC European Credit fund launched with initial assets of some €23 million.

In contrast with other credit strategies already trading, NAC takes the industry in Europe onto another new frontier – non-investment grade bank loans, but loans that are trading at or around par, and not in the distressed category.

The fund's investment strategy focuses on senior loans and opportunistically on mezzanine and high yield debt. The NAC team regard the leveraged loan market as increasingly mature in Europe, and with plenty of opportunity that is not yet exploited by other hedge funds.

As this is still a relatively less liquid asset class, the core of their approach is based on detailed fundamental analysis using a proprietary model to re-engineer and stress-test credits. Target returns are Libor plus 6% to 9% a year – which they see as very



Jeroen Zuurmond, Don Procter and John Seal of New Amsterdam Capital achievable in a low risk fashion, given that the instruments they deal in are secured and floating rate, which should shield the portfolio against rising interest rates.

The team are very experienced in the credit markets. Procter was for many years with UBS Warburg, while Seal and Zuurmond worked together at Barclays Capital. They are hoping to grow to about €100 million by the end of this year, and will probably 'close' at about €300 million.