

PRINT

Israeli money manager sets up shop in Toronto

By SHERI SHEFA, Staff Reporter

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TORONTO — Meir Cohen, the CEO of the new Toronto branch of BSP Funds, the first Israeli-based money management firm to have a physical Canadian presence, said he's confident the investment opportunities offered by his firm will help Canadians bounce back from the latest economic crisis.

Meir Cohen

BSP Funds Canada Inc., which is registered with the Ontario Securities Commission and has been operating since October, was established to attract investors outside of Israel, and to look for other investment opportunities that would benefit its investors.

Cohen, a 33-year-old Toronto-native, spent eight years as vice-president of Bull Capital Management Inc., a wealth management firm in Toronto, before he was approached by a BSP Fund partner who has been temporarily living in Toronto for the past few years.

“He approached me at the beginning of 2009. I spent my time doing due diligence on the firm and on the people in the firm, and I was very impressed with what I saw, and I made the decision that there is great potential and to start something with them,” said Cohen, a Yeshiva University and Schulich School of Business graduate.

The money management firm, which launched in 2005, is based in Herzliya, Israel, and employs nine Israeli partners, with Cohen being the only Canadian employee.

Cohen said BSP Canada joined the Canada-Israel Chamber of Commerce to raise awareness about the firm and plans to organize informational events to present topics that would be of interest to potential investors and members of the chamber.

He said the firm targets accredited investors – high-net-worth individuals and institutions – who are looking to invest for a number of years.

“It's meant to be a longer-term strategy... Our long-term target return is about 10 per cent per year net of fees. If we're doing our job over time – of course we don't guarantee anything – we should have [an average of a] 10 per cent return every year,” he said.

“This is meant to be for someone who has a larger portfolio and basically can afford to put some of it aside and let it grow over time, as opposed to someone who is younger and might need income from the portfolio.”

Cohen explained that BSP makes money by putting together a hedge fund that invests in other hedge funds.

“The hedge funds that we are investing in typically, right now, happen to be based in the U.S. and the U.K., but the hedge fund that we're running itself is managed out of Israel... As these funds go up in value and as the values of the securities in the portfolios goes up, we make money and our investors make money.”

Cohen said the firm invests in everything from equities to bonds and manage about \$250 million (US).

“A big part of our ability to find the right investments is by utilizing our software that was built by our team in Israel, which identifies trends in the hedge funds we’re investing in and combines the different hedge fund strategies together to obtain the optimal results.”

He said that the BSP partners chose to open an office in Canada, rather than the United States, because they felt there was more opportunity for growth here.

“We saw an opportunity to emerge as one of the top hedge funds in Canada because Canada is less developed than the U.S.”

He added that the difficult economic climate was perceived as an opportunity to succeed rather than an obstacle.

“With every crisis comes an opportunity... We saw that it was a chance for us to step in and gain market share,” Cohen said.

“This speaks to the confidence that we have in what we do. That we were investing in our business at a time when times were tough in the economy and the markets.”

He acknowledged that many people are still nervous about how to invest their money in the wakes of a recession that led many Canadians to lose much of their savings.

“But our strategy is designed specifically be a more conservative strategy and meant to protect [their savings] should we go through another period like we did last year. Our fund is designed to do well regardless of what is happening in the market environment.”

The alternative to investing is to leave their money in cash and “cash pays almost nothing today, so really it’s a way for people to get back into the markets without actually investing fully in the market,” Cohen said.

“The way our fund works is that we’re doing a number of different strategies so that if the market drops 50 per cent like it did last year, we don’t drop 50, we drop a fraction of what the market drops.”

For more information, visit www.bspfunds.com.

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