

Boutique manager preps uranium special opps fund

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An ex-Sandalwood Securities analyst is teaming up with a former Knott Partners pro to launch a new hedge fund targeting the uranium industry, *HFMWeek* has learned.

Sachem Cove Partners, based in Lloyd Harbor, New York, is led by founder and CIO Michael Alkin, who previously spent seven years at \$2.4bn hedge fund Knott Partners and has around 20 years of experience in the hedge fund industry.

The firm has a strategic partnership with boutique manager Lloyd Harbor Capital Management, which was established in 2015 by Tim Rotolo, a former distressed credit analyst at \$1bn FoHF Sandalwood Securities.

Lloyd Harbor currently manages funds focused on legal lending and residential NPLs, and has a separate entity, Archytas Ventures, dedicated to investing in the cannabis industry.

HFMWeek understands that Sachem Cove is planning to launch its debut hedge fund, Sachem Cove Special Opportunities Fund, in April with around \$20m of seed capital. The firm is planning to raise a total of around \$30m for the strategy, according to a source familiar with the strategy.

The fund will primarily invest in listed stocks of companies in the uranium industry – the majority of which are small-cap equities on US, Canadian and Australian exchanges.

The \$7bn uranium industry has been embroiled in a prolonged bear market since the financial crisis, with U308 futures falling from over \$100 to around \$21 today.

This was exacerbated by the Fukushima disaster in 2011, which led to several major powers – including France and Germany – reducing their participation in the nuclear power industry.

However, Sachem Cove's Alkin is betting on a rebound in the industry in the next few years. In a newsletter published last year, he argued that sentiment in the market has turned, and demand for uranium now significantly exceeds supply.

Furthermore, the current political climate may provide US-based miners with a favourable production backdrop.

While nuclear power accounts for 20% of US energy usage, the country only produces around 3% of the uranium it uses. Meanwhile, the vast majority comes Russia, or suppliers in the Russian sphere (such as Kazakh miner KazAtomProm).

Given the souring of US-Russian relations since the 2016 election, Alkin argues that “US energy security is at risk”.

HFMWeek understands that Sachem Cove has signed up NAV Consulting as its fund administrator and Kleinberg Kaplan as its legal counsel.

Lloyd Harbor and Sachem Cove declined to comment.

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