



## What's in a Hedge Fund Name?

JOSH LIPTON AUG 21, 2009 10:40 AM



*A new fund chooses an unfortunate name for itself. Does it matter?*

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Regardless of whatever superior investment returns it ultimately generates, one new hedge fund has already distinguished itself from the competition if only for its name: Ground Zero Strategic Commodities.

The new hedge fund, which is based in Switzerland, may begin trading in the first quarter of next year, [according](#) to Bloomberg News. Even though the fund isn't based anywhere near the World Trade Center site in New York, "Ground Zero" is still likely to upset some investors that will associate the name with the tragic terrorist attack in 2001.

Edward Filippi, who previously worked for Lehman Brothers where he sold commodity investment products, founded the fund. And he says he's already raised a pile of greenbacks: \$35 million, to be precise.

The fund will invest in energy, metals, and agricultural derivatives, although it doesn't yet have a portfolio manager or operations officer. Filippi did not respond to requests for comment.

Typically, hedgies go with names that sound downright boring. Others prefer names that try to suggest strength and security: Citadel Investment Group or Fortress Investment Group comes to mind. There are also the hedge fund operators that go for the calm and cool approach, choosing names that conjure up visions of relaxation such as Palm Beach-based Seabreeze Partners.

Ground Zero, in contrast, doesn't evoke feel-good images to a lot of people. In fact, whatever Filippi's intentions, it's not hard to imagine some investors being turned off altogether. What's next? Hiroshima Capital? How about Mogadishu Investment Group? Or My Lai Advisors?

And, as an industry, hedge funds can't afford marketing missteps right now. Last year was a tough one for the fast money crowd. The hedge funds' average decline was 19% and 1,471 hedge funds went under, according to Hedge Fund Research, a Chicago-based hedge fund analysis firm.

Some branding experts are scratching their heads over Ground Zero's name. Amy Shea, an executive vice president at Brand Keys, a New York-based brand and customer loyalty consulting firm, says she is mystified by Filippi's choice.

"It's not a good decision," Shea tells Minyanville. "Why would someone take that kind of risk when it's unnecessary? Why would you want anything negative associated with your business?"

Particularly right now, Shea says, in an era of government bailouts, Ponzi schemes and Bernie Madoff, investors want brand names that speak to qualities of stability and honesty.

"People want greater transparency and trust," Shea says. "The last thing they should have done is evoke images of crumbling financial buildings."

Other branding experts disagree, arguing that Filippi's decision does carry risks, but it might not necessarily prove to be a bad move for the 33-year-old financier.

Allen Adamson is the managing director of the New York office of Landor Associates, the global branding firm. The risk of going with Ground Zero, he says, is that such a name could be polarizing to folks in New York City, but, on a global scale, he isn't so sure the name carries the same immediate and powerful negative connotations.

There are alternative meanings to Ground Zero, of course, such as a starting point or getting in on the ground floor. And one could argue that Filippi, by choosing the controversial name, is already scoring quick marketing points. Should he have gone with a more typical sounding name, media outlets might not have cared enough [to write about it](#).

Adamson adds, "I would have suggested that they understand the risks and downsides very clearly before they made that call. Because every name has a degree of risk and that has a higher degree of risk than most."

No positions in stocks mentioned.

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