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Advisors Preferred plans several fund launches in 2023

Boutique incubator considering high-alpha liquid alts and new trust to accommodate interval funds

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Advisors Preferred, the \$3.5bn AUM Rockville, Maryland, series trust manager and asset manager incubator, hopes to launch multiple funds with new and existing subadvisers in 2023, and is considering launching a second trust to accommodate interval funds.

Director of distribution Brian Humphrey said that he had no target in mind for new deals, though he is keen to continue the firm's expansion.

He mentioned new launches may be geared towards international or global markets, and generally the firm's partners tend to "excel in tactical and non-traditional strategies."

"We're exploring strategies that would normally only be found in a hedge fund and then coupling that with a market beta strategies. The end result is really quite compelling," he said. "We're working with some managers on tactical and trend following strategies that are high alpha and a little higher risk. If we pair them with some of our existing low volatility total return strategies, it makes for a really interesting story."

"It's more about getting it right than forcing a number," he said. "We're fortunate that we work with some great partners. But it has to be a good fit. We're more quality over quantity. but that said we're eager to grow. and we want to get it right.

"We're looking at one or two interval opportunities right now," said CEO and company president Catherine Ayers-Rigsby. "We would need a different trust, but that would be a fairly easy hurdle to leap over."

Advisors Preferred expanded its sales team in 2022 and maintained positive inflows despite challenging market conditions. Ayers-Rigsby said that she has a three-year plan to continue to grow the sales team as assets increase.

The firm is also ramping up its distribution efforts. Humphrey said he'll be looking to strengthen beyond its current core market of RIAs and independent broker dealers towards wirehouses and regional banks.

"We're working with a potential subadviser and opening one of those doors now," he said. "So we can see that happening as we continue to grow and add headcount and market access."

To support the distribution effort, Humphrey said that AP is developing new sales tools for the team to show RIAs how funds might be combined together, which he hopes to launch in the first or second quarter.

The firm currently has 18 funds in its series trust, of which 16 are actively managed. Generally, the company seeks non-correlated strategies, and it actively pursues liquid alts strategies.

CEO and president Catherine Ayers-Rigsby said "Our sales [launch] cycle is typically 12 months to three years, so conversations we started having 12-18 months ago are very close. Our plan is to expand our fund line up and add assets to the funds we already have."

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