

Database to change cap intro

US-based firm HedgeConnection.com has launched to offer a service that could revolutionize capital introduction.

If successful the service could also have a serious impact on the business of prime brokers and other capital introduction providers – either by taking business away from them or by partnering them in the capital introduction space.

HedgeConnection is a website based service that offers fund managers access to the contact information of institutional and high-net worth investors who have agreed to supply their details for the site.

For a set fee, the site will allow searches for the contact details of several potential investors each month,

Lisa Vioni, founder and president of HedgeConnection.com has built up a contact list of 5,000 investors throughout her career, at least half of whom she hopes will, in time, provide their details for the service.

The database has around 350 investor's details and Vioni hopes to raise that number to 1,000 by the end of the year.

The site contains information on each investor such as their name, phone number, email and how much money they are looking to potentially invest in hedge funds.

If successful, the site could prove a blow to capital introduction service providers, as managers either demand lower fees because they already have investor contacts through HedgeConnection, or cut out the capital introducer altogether and approach the investors themselves.

Alternatively HedgeConnection could become a partner to prime brokers in the capital introduction space, according to Vioni.

She is in talks with one prime broker about forming a strategic partnership under which it would pay HedgeConnection an annual fee to offer its services to their clients.

This would not only act as a compliment to prime broker capital introduction departments, but also provide a level of distance that could remove conflict of issues.

“I'm not saying they would get rid of their capital introduction departments, but they could let HedgeConnection do the work and keep an arm's length distance so there would be no conflicts of interest with the SEC,” added Vioni.