

High-flying hedge funds of 2009 revisited

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What are we looking for?

How high-flying hedge funds in 2009 are faring this year.

The search

We checked returns for the first five months of this year for the top 15 performing 2009 funds in the alternative strategy group. Leveraged and inverse [short] exchange-traded funds (ETFs), U.S. dollar and duplicate versions of the funds were excluded.

What did we find?

A few turtles, but most have some momentum.

Salida Multi-Strategy Hedge, which gained 181.6 per cent last year, is among the turtles. It slid 1.5 per cent for the first five months. Salida Capital's Daniel Guy took over the resource-oriented fund in April after former manager Brad White left to join Avenir Capital Corp.

Among those with traction is AlphaNorth Partners Inc., up 11.1 per cent. It weathered the May market correction with "timely short positions" in stocks and through leveraged ETFs, said manager Steven Palmer of AlphaNorth Asset Management. He covered his shorts except for a leveraged bear gold ETF. "There is a ridiculous amount of euphoria around gold," he suggested.

His stock winners included Spider Resources Inc., Primary Petroleum Corp. and Cline Mining Corp. The fund's diversification beyond resources helped last month when that sector got hit hard, he said. "I think the TSX will trade in the range of 11,000 to 12,000 [points] for the next several months."

Agilith North American Diversified, which posted a 101.8-per-cent gain in 2009, is also up 11 per cent. "We run a fund that really focuses on superior business models and not on macro trends," said Andrea Horan who co-manages the fund with her husband Patrick at Agilith Capital. "We stay completely out of resources."

Stocks such as Gennum Corp., 20-20 Technologies Inc., Toronto-Dominion Bank, MacDonald Dettwiler and Associates Ltd., and Transcontinental Inc. contributed to gains this year, as well as a short position in Shoppers Drug Mart. "We have been overexposed to technology, and some of those stocks have continued to perform for us," Ms. Horan said.

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**How last year's high-flying
hedge funds are doing this
year**

(As of May 31)	Latest 2009		31- May	% rtn (as of May 31)					
	Assets (\$-mil)	MER	Cal yr % chg	YTD % chg	1-yr	3-yr	5-yr	10- yr	Incpt
Salida Multi-Strategy Hedge				181.6	-1.5	62.6	-2.5	24.9	27.4
Front Street Canadian Energy				166.0	-10.4	50.4	-9.4	16.7	15.2
AlphaNorth Partners Fund Inc.	27.0			160.6	11.1	100.1			16.0
Dynamic Power Hedge Fund-F	536.6	11.39		159.4	-1.6	71.0	-4.7	22.4	29.8
Agilith North American Diversified				101.8	11.0	64.4			16.3
Dynamic Contrarian-F	113.2	2.03		100.3	-2.2	31.5	-9.7		9.0
Silvercreek Convertible LP	74.6			100.2	7.0	68.2			60.2
King & Victoria Fund LP				95.3	22.3	102.8	17.6	11.9	25.8
DKAM Capital Ideas Fund LP	12.5	2.50		88.2	1.9	47.0			42.3
Vertex Fund-A	900.7	2.04		84.2	3.0	45.5	4.2	11.5	14.2 19.0
Creststreet Energy Opportunities				81.1	12.8	77.5	17.0	11.3	11.3
Peregrine Investment Mgmt Fund L.P.	32.2			79.6	3.5	9.4	6.4	21.4	22.1
Sprott Small Cap Hedge	31.0	2.48		78.0	6.0	41.8	-2.6		3.9
Jemekk Long/Short L.P.	64.7			76.8	7.3	35.9	-7.3	9.1	11.5
Arrow Enso Global	28.8			76.8	3.1	25.5	1.4	6.4	8.4
S&P 500 Composite (\$ Cdn)				5.5	-2.3	13.1	-	-5.2	-6.1
S&P/TSX Total Return				35.1	1.2	16.7	11.4	-2.9	7.0 4.7

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