FEBRUARY 2014

Bloomberg Markets

THE HEDGE FUND ISSUE

TOP 25 MIDSIZE HEDGE FUNDS

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	Fund, *Manager(s)*	Management Firm, Location	Strategy	ASSETS, IN MILLIONS	YTD TOTAL RETURN*	2012 RETURN
1	**Senvest Partners,** *Richard Mashaal*	Rima Senvest Management, U.S.	Long/short	$489	58.8%	34.9%
2	**Marlin,** *Michael Masters*	Masters Capital Management, U.S.	Long/short	400	57.8	31.5
3	**SFP Value Realization,** *Team managed*	Symphony Financial Partners, Japan	Event driven	290	56.5	44.5
4	**Perceptive Life Sciences,** *Joseph Edelman*	Perceptive Advisors, U.S.	Long/short	977	54.6	28.4
5	**Pegasus,** *David Yarrow, Angus Donaldson*	Clareville Capital Partners, U.K.	Long/short	291	54.1	1.1
6	**Jabcap Multi-Strategy,** *Philippe Jabre*	Jabre Capital Partners, Switzerland	Multistrategy	520	37.8	11.8
7	**Jabcap Global Balanced,** *Philippe Jabre*	Jabre Capital Partners, Switzerland	Long biased	507	37.5	15.5
8	**Cambrian,** *Alexander Roepers*	Atlantic Investment Management, U.S.	Long biased	985	36.5	8.3
9	**Broadfin Healthcare,** *Kevin Kotler*	Broadfin Capital, U.S.	Long/short	647	36.4	16.2
10	**Cheyne Total Return Credit I,** *David Peacock, John Weiss*	Cheyne Capital Management, U.K.	Fixed income	636	36.1	NA
11	**Braddock Partners,** *Charles Akre*	Akre Capital Management, U.S.	Long/short	254	32.7	15.0
12	**Passport Special Opportunities,** *John Burbank*	Passport Capital, U.S.	Long/short	384	32.0	–5.7
13	**Red Mountain Partners,** *Willem Mesdag*	Red Mountain Capital Partners, U.S.	Activist	367	31.5	18.8
14	**Ping Exceptional Value Offshore,** *Ping Jiang*	Ping Capital Management, U.S.	Emerging-market debt	275	30.9	8.9
15	**Peconic Grenadier,** *William Harnisch*	Peconic Partners, U.S.	Long/short	411	30.8	–6.8

**Returns are for the 10 months ended on Oct. 31. Includes funds with $250 million to $1 billion in assets. Sources: Bloomberg, hedge-fund databases, hedge-fund firms, investors*

HOW WE CRUNCHED THE NUMBERS

OUR RANKINGS OF hedge-fund managers are based on data compiled by Bloomberg specialist Anibal Arrascue and information supplied by hedge-fund research firms, hedge funds and investors. We have three lists of top performers: 100 funds with assets greater than $1 billion; 25 funds with assets of $250 million to $1 billion; and the 20 most-profitable large funds. Assets and returns were for the 10 months ended on Oct. 31.

The first step in calculating profits was dividing a fund's net return by 100 percent minus the sum of the management-fee and incentive-fee percentages. If a fund didn't report its fees, we used the average of funds in our universe: a 2 percent management fee and a 20 percent incentive fee.

Using gross returns, we were able to reconstruct approximately what the assets were at the start of the year. (Because we didn't have inflows or outflows, the asset numbers didn't take asset flows into account.) We subtracted original assets from current assets and multiplied the result by each fund's performance fee to derive the profit figures. Management fees aren't included; we assumed they were used for the day-to-day operations of the fund.

Several funds appearing in the most-profitable ranking don't show up in our lists of top performers. That's because the size of a fund can trump returns when calculating profits.

We couldn't obtain return figures from several of the biggest hedge-fund firms by assets. For a handful of other firms, we had returns for only one or two funds. Onshore and offshore assets and returns were combined for a number of funds, while figures for other funds were for only the larger or better-performing class.

Some of the numbers were difficult to verify. Unless the information came from Bloomberg or the hedge-fund firm itself, we tried to verify it with other sources, including investors and other fund databases.

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