

## RETURNS IN BRIEF

■ **Kingdon Capital Management LLC's** Kingdon Credit Master Fund LP lost 5.5 percent in the third quarter and is down 0.9 percent year-to-date, according to its letter to investors, a copy of which was obtained by Bloomberg. **Michael Pohly** manages the fund.

■ **Louis Dreyfus Investment Group's** roughly \$2 billion LD Commodities Alpha Fund gained 0.27 percent in September and is down 0.49 percent year-to-date, according to the firm's September market comment letter, a copy of which was obtained by Bloomberg. The fund's chief investment officer is **Ian McIntosh**.

■ **Maritime Capital Partners LP**, the \$50 million New York-based hedge fund that primarily trades intermediate duration investment grade municipal bonds, rose 0.8 percent in September and 16 percent this year, according to a tear sheet obtained by Bloomberg. The fund was founded in April 2010 by **Baris Dincer** and **Greg Gurevich**.

■ **Javelin Capital's** market neutral Javelin Capital Global Equity Strategies Fund returned 3 percent in September and 1.92 percent during the third quarter, according to a company release. The fund, which had its one-year anniversary on Sept. 30, had an annual net return of 0.55 percent, the release said. **Victor Pina** is the fund's chief investment officer.

— Compiled by Kelly Bit, Nathaniel Baker & Melissa Karsh

For this week's Performance Snapshot, featuring multi-strategy hedge funds, see page 10.

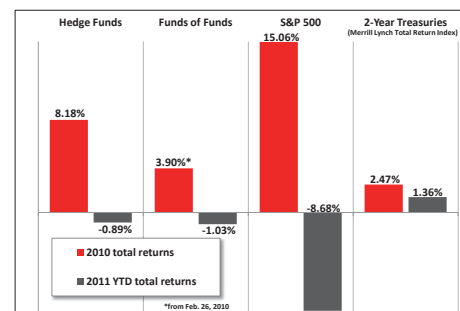
## RETURNS BY STRATEGY

STRATEGY	2010	SEPTEMBER 2011	2011 YEAR-TO-DATE
Mortgage-Backed Arbitrage	24.6	-0.2	13.0
Equity Statistical Arbitrage	3.4	0.6	7.3
Fixed Income Arbitrage	3.7	0.6	3.7
Short-Biased Equities	7.2	3.2	3.4
Emerging Market Debt	13.3	-1.1	2.8
Capital Structure Arbitrage	2.1	-1.3	2.8
Directional Fixed-Income	5.3	-0.4	2.7
Convertible Arbitrage	2.7	-0.2	2.5
Market-Neutral	5.5	-1.7	2.0
Multi-Strategy	4.0	-0.8	1.9
Long/Short Equities	5.8	-3.4	1.8
Merger Arbitrage	3.7	-1.7	0.8
CTA/Managed Futures	1.7	0.3	-0.6
Global Macro	4.4	-0.5	-0.9
Distressed Securities	12.0	-3.1	-1.4
Long-Biased Equities	5.3	-3.5	-6.1

Source: Bloomberg Hedge Fund Indices  
Type HFND<GO> to view return statistics

## Hedge Fund Returns

Bloomberg BAIF indices, which represent all funds tracked by Bloomberg data, are the source of the below hedge fund and fund of funds data.



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## U.S. Hedge Fund Pay to Fall 10 Percent This Year

BY KELLY BIT

U.S. hedge-fund compensation will fall an average of 10 percent this year compared with 2010 as performance suffered, according to a report by **Glocap Search LLC** and **Hedge Fund Research Inc.**

Portfolio managers' pay, which is most closely tied to performance, should see the biggest decline, slumping about 30 percent on average, according to **Adam Zoia**, chief executive officer of Glocap, a New York-based recruiting firm.

Hedge funds have lost 5.4 percent on average this year, according to data compiled by Bloomberg, as the European debt crisis worsened and the U.S. economy threatened to slip back into recession.

"This has been a tough year," Zoia said in a telephone interview. "People therefore have lowered year-end expectations and those expectations will be met."

Compensation rose in 2010, when hedge funds gained 8.2 percent on average, and in 2009, when they climbed 9.1 percent, according to the Bloomberg hedge fund aggregate index.



Adam Zoia

Pay declined in 2008, after the average fund lost 19 percent. Glocap and Chicago-based Hedge Fund Research said they expect remuneration this year to mirror 2009 levels.

Compensation for junior-level analysts is expected to decline on average less than 10 percent, Zoia said.

Fund marketer and compliance staff pay will likely range from flat to an increase of 10 percent to 15 percent as demand has outweighed supply, he said. Hedge-fund accountants' compensation should be flat to slightly up.

In 2008 and 2009, the majority of hedge funds dipped into management fees and general fund resources to pay bonuses,

the report said.

Hedge funds typically charge a management fee of 2 percent of assets and a performance fee of 20 percent of profits.

Using management fees to pay bonuses, while not a common practice, is a way to retain staff and shows that hedge-fund compensation is "sticky downward," the report said.

Industry assets reached a peak of \$2.04 trillion in the second quarter before declining to \$1.97 trillion last quarter, according to the report.

The report's estimates, which include hedge funds of all sizes, are based on placement data from searches made by Glocap, as well as input from the firm's staff and interviews with hedge-fund managers and human resources personnel.

Base salaries remain little changed year to year, Zoia said, making bonus fluctuations the biggest driver of hedge-fund compensation.

—With assistance from Melissa Karsh

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### SAC TO OPEN TOKYO OFFICE IN 2012

Steven A. Cohen, head of the \$14 billion SAC Capital Advisors LP, plans to open an office in Tokyo because of opportunities he sees in Japan. page 3

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Pfaffikon, Switzerland-based LGT Capital Partners AG is searching for two to three U.S. long/short equity funds for immediate allocations. page 4

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Andrew Goldman started a leveraged version of the Seven Locks Master Fund LP. page 4

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### 13F FORENSICS: MF GLOBAL HOLDINGS

Hedge funds sold positions in the second quarter, prior to the New York-based futures broker's bankruptcy filing yesterday. page 7

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## NEW MANDATES

INSTITUTION	ALLOCATION (\$MLN)	SEARCH SPECIFICS	MANAGER REQUIREMENTS
LGT Capital Partners AG	\$20 million to \$40 million in initial allocations	Two to three U.S. long/short equity funds.	See story, page 4

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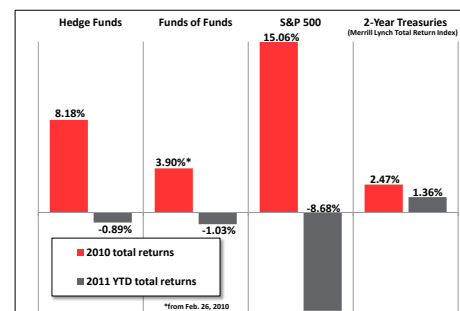
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