

Russian Firm Promoting Gas Fund

Pharos Financial of Moscow is raising new capital for its 4-year-old natural-gas fund.

The investment firm is hoping to bring in \$300 million to \$500 million over the next 12-18 months. Chief executive **Peter Halloran** has started approaching investors in Europe, the U.S. and elsewhere.

Halloran, who oversees Pharos' investment activities, established the firm in 1997 with funding from **Credit Suisse** and **Soros Fund Management**. Since its April 2004 launch, the \$55 million fund has posted an average annual return of 45%.

To assist with the marketing effort, Pharos late last year hired **Steve Kalnoky**, who previously worked as a foreign service officer at the **U.S. State Department**. Kalnoky started working in Pharos' Moscow headquarters last month.

The firm, which now manages \$150 million of assets, threw its marketing activity in high gear in February, in anticipation of a restructuring of Russia's natural-gas industry under its newly elected president, **Dmitry Medvedev**. Pharos expects the reform to be a boost to stocks of corporations operating in that area.

Meanwhile, the firm has promoted **Kevin Dougherty** from his role as senior analyst to portfolio manager. Dougherty now works alongside **Nat Moser**, a top-ranked Russian natural-gas expert.