

Russia's Hedge Funds Show Stong Growth & Potential

West Palm Beach (HedgeCo.Net)- Russia's strong economic growth, rapidly expanding domestic market and increasing financial market liquidity has been fuel for rapidly expanding hedge funds and specialist investors in Russia and the former Soviet Union (FSU).

One such company is the Pharos Financial Group, which now runs three hedge funds, the Pharos Russia Fund, the Pharos Small Cap Fund, and the one-of-a-kind Pharos Gas Investment Fund.

Pharos has been Moscow based since 1997, making it one of one of the oldest Russian hedge funds, positioning it well for the new Russian market of 2008. The team has over 90 years of combined Russian and Western market experience. Their hedge fund strategy is long biased with shorting capability and has been stress tested with a track record featuring high returns with lower volatility.

Prior to founding Pharos Financial Group in 1997, CEO Peter Halloran was the principal contributor toward building the CS First Boston equity and fixed income brokerage businesses in Russia and the CIS.

He has been working with the development of the Russian capital markets since their inception in 1994, bringing more than \$8 billion to the markets through debt, equity and private placements. Halloran has also acted as adviser to Soros Fund Management(the largest investor in Russia to date).

John J. Papesh, marketing director for Pharo said, "Since the Western public perception is different than the reality of the Russian market, I think it would be great to set the record straight when comparing Russia to that of Brazil, India and China, especially at a time when Russia is in favor to other EMs."

The Pharos Russia Fund has been in existence since 1997, offers daily liquidity and is a multi-sector Russia and FSU fund. It has a diverse portfolio of liquid equities, and can short and use derivatives. The fund is up 20% over the past 12 months.

The Pharos Gas Investment Fund is designed to take advantage of the transformation of the gas sector in Russia and Eurasia. As the only hedge fund focused on this sector, it invests in listed equity and offers monthly liquidity. The fund is up 21% over the past 12 months.

The Pharos Small Cap Fund invests in undervalued second and third tier companies and offers monthly liquidity. The fund is up 14% over the past 12 months. Two Pharos Funds have ranked in the Top 15 Hedge Funds globally by Bloomberg and in the Top 10 by Eurohedge.

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