

MFA Star Search

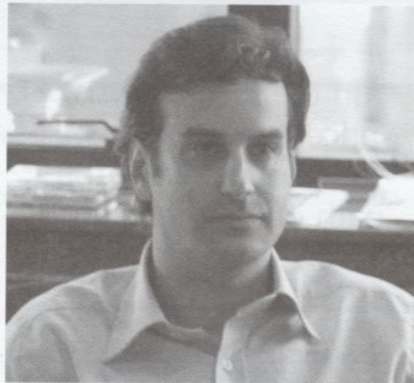
Catching the eye of the industry

By Elise Coroneos

As part of its recent 2005 Forum for Hedge Funds held in Chicago, the Managed Funds Association highlighted a number of trading advisors as part of its annual Star Search roundup, which is sponsored by Calyon Financial.

Here is a snapshot of some of the trading advisors featured in the roundup. Each firm has \$10 million or less under management, and all are looking to grow their firms.

This group includes a father-and-son team and an advisor whose father is a principal in his firm. Four of the advisors are based in the US, and one in Brazil.



Alexandre Bourgeois

Orbix Global Partners

São Paulo

Orbix Global CTA: 42% compound annualized return

\$10 million

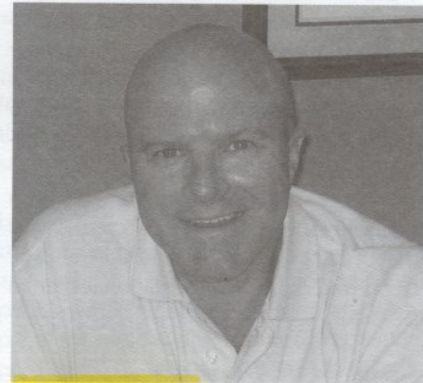
Orbix Global Partners was founded in 2002 by Alexandre Bourgeois, who previously worked for several Wall Street proprietary trading desks and Brazilian banks such as Bear Stearns and Société Générale.

The firm trades three systematic trend following programs. Two programs were launched in April 2003. Orbix Global CTA trades in a combination of currencies, stock indices, debt and interest rates, energy, metals, soft commodities and cattle. Orbix Brazil Trends trades six instruments traded on the Brazilian Mercantile & Futures Exchange.

The advisor's newest program is Orbix Emerging Markets CTA, a US dollar-denominated fund that started in September 2004.

Bourgeois says this new program is one of the only, if not the only, emerging-markets-dedicated trading advisor product. It typically trades 15 to 20 positions in currencies, stock indices, sovereign debt and interest rates in 19 emerging market countries.

"This fund complements rather than competes with traditional CTAs because they do not generally play in the emerging markets space," says Bourgeois.



Jes Santaularia

Parrott Trading Co

Lawrence, Kansas

9.8% compound annualized return

\$3.7 million

Parrott Trading Co, led by Jes Santaularia, launched its Parrot Trading Partners program in April 2004.

Santaularia, who has more than 20 years' experience as a tax and investment planner, property manager and hedge fund manager, has been trading commodity futures and options privately for more than 10 years. During this time, he has developed Calendar Condors, a combination of two popular option strategies, Iron Condors and Calendar Spreads.

The Calendar Condor strategy takes advantage of certain market inefficiencies in the pricing of options as well as the natural tendency of options to decrease in value over time.

"We identify a range of market activity and establish short option positions to be profitable in the ensuing two-to-six-week period," says Santaularia. "We hedge these short positions with long option positions in the deferred months to mitigate our risk."

What is especially good about this strategy, says Santaularia, is that positions are hedged in such a way that the market does not have to go in any particular direction.

