

Simple, transparent et performant:  
un cocktail encore possible pour les  
hedge funds?

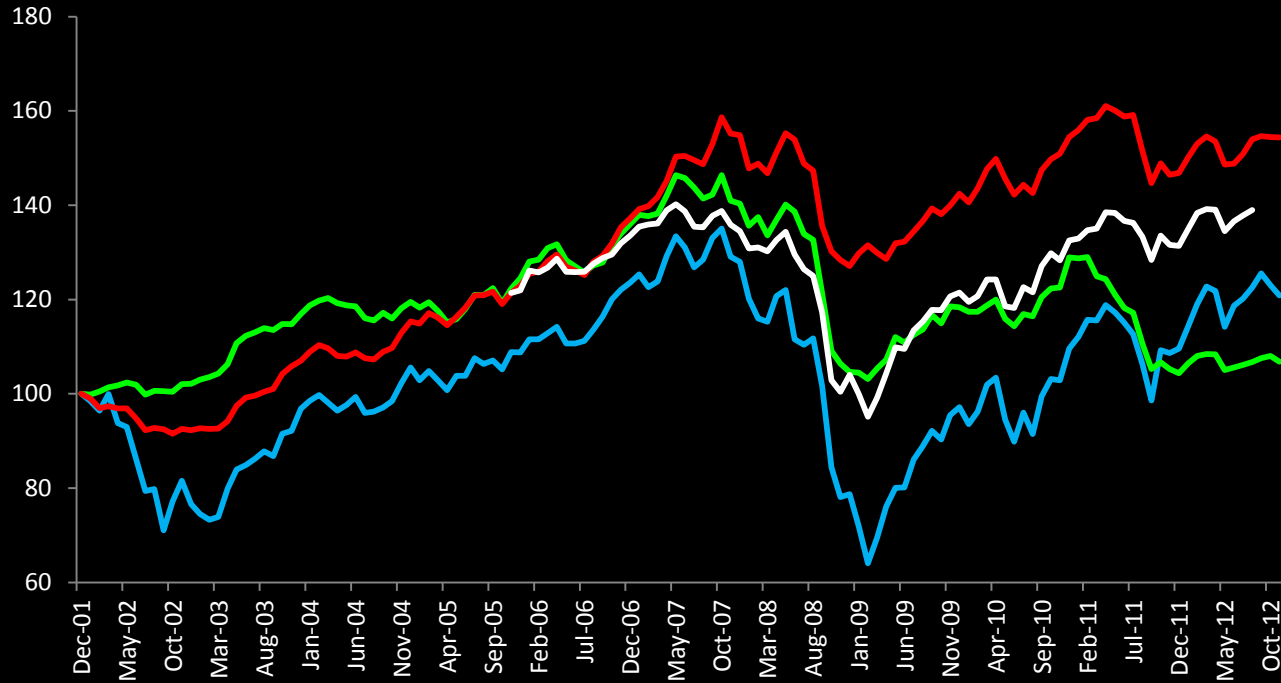
by  
Cédric Kohler  
Fundana

GFAI 2013

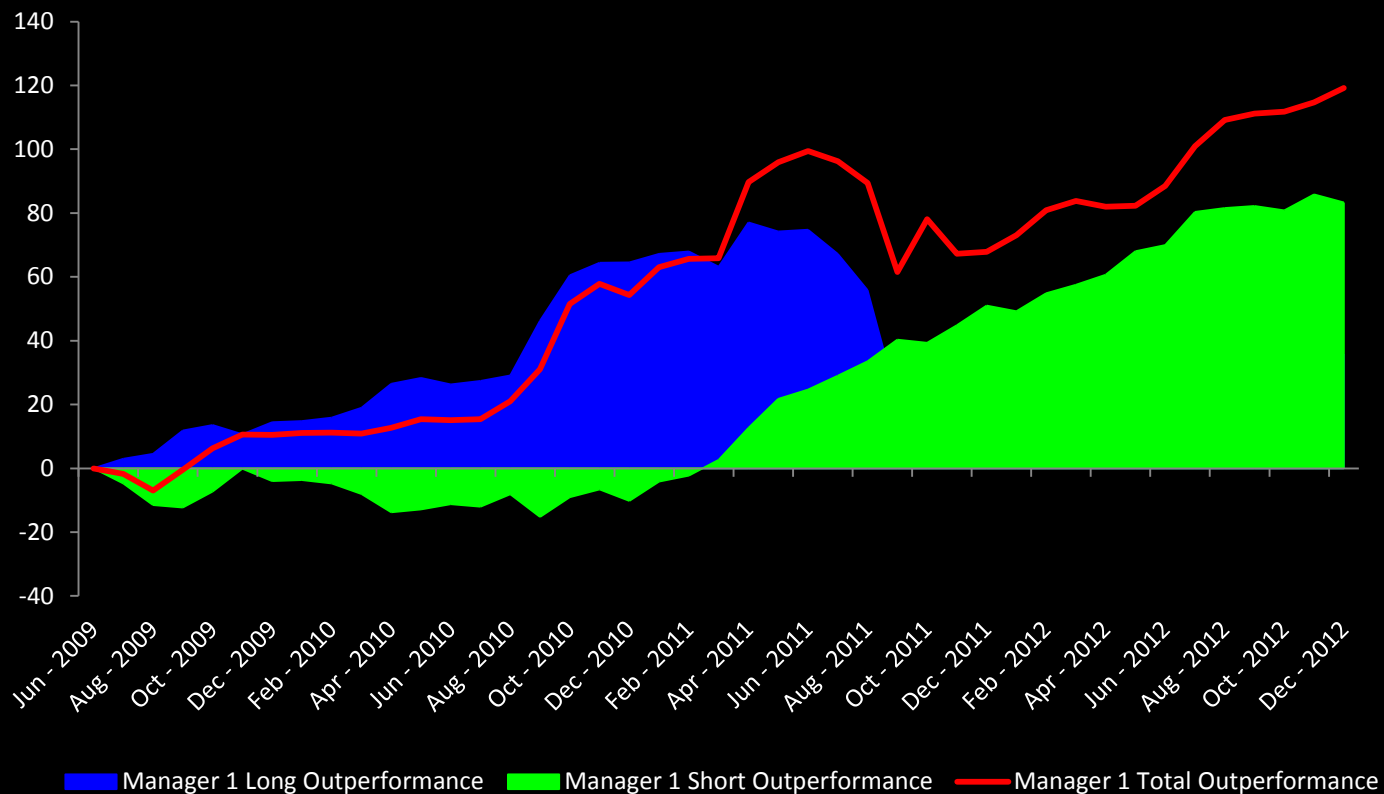


Equity Long / Short

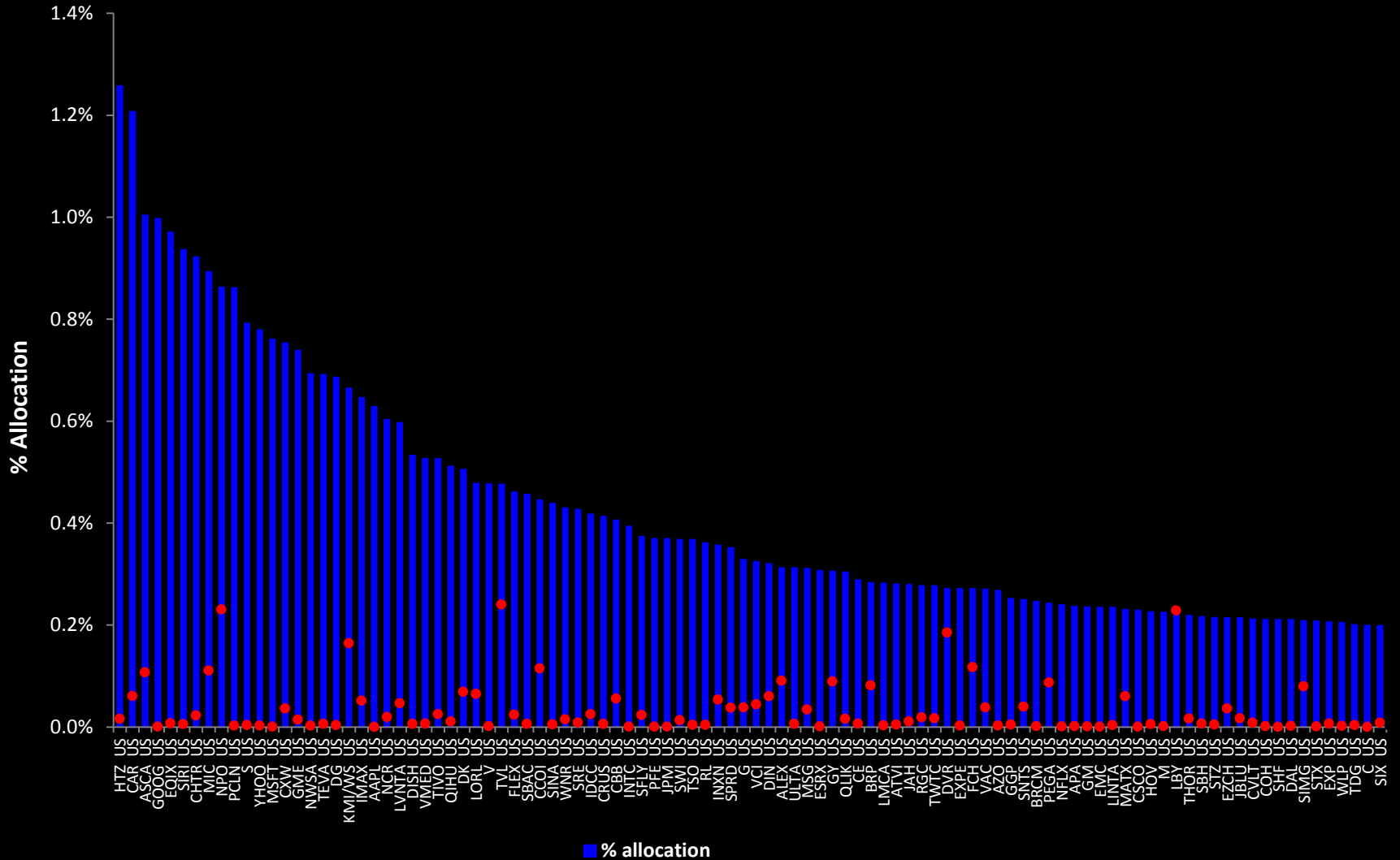
# What is equity long / short good for ?



# Escaping from the cult of the average: manager selection

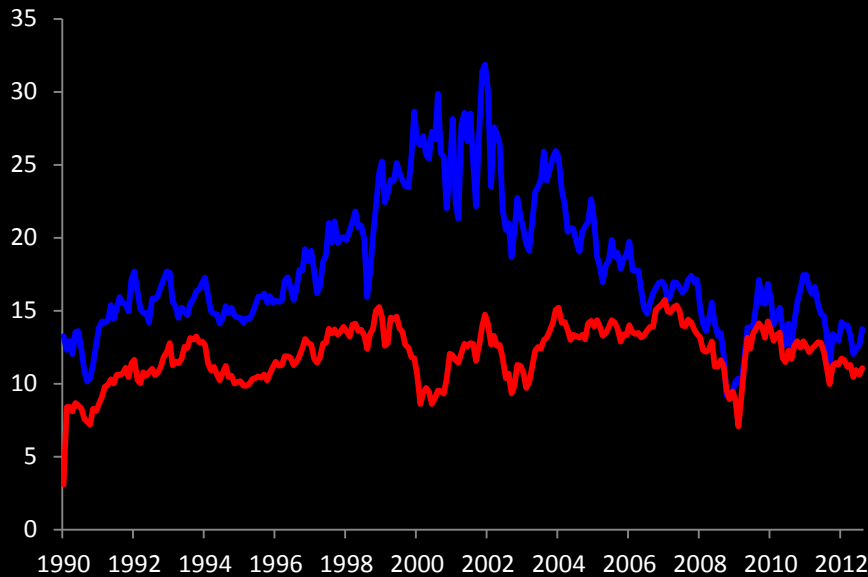


# Making transparency useful again



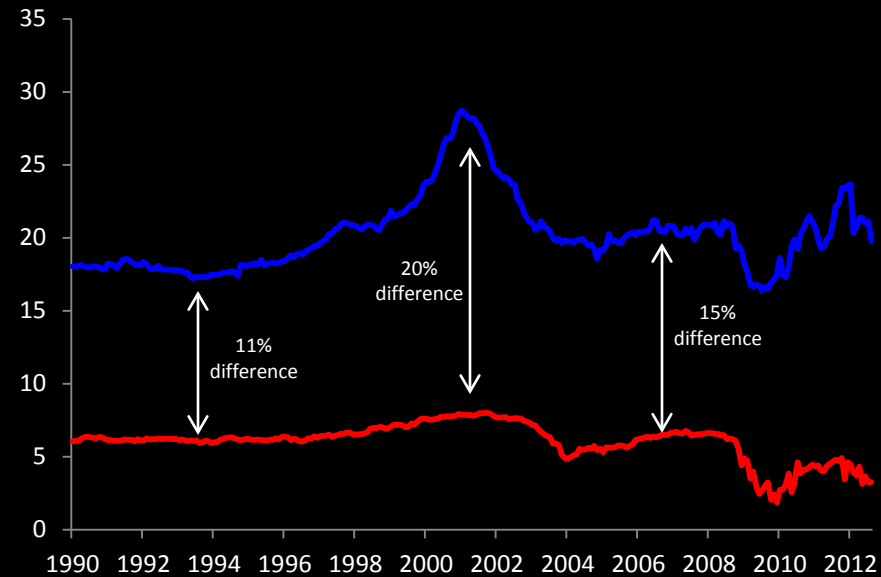
# The best is still ahead of us !

### S&P 500: Average P/E by long – Term Growth



— Highest Growth Companies    — Lowest Growth Companies

### S&P 500: Average Long – Term Growth Estimates



— Highest Growth Companies    — Lowest Growth Companies

# 2013 macro backdrop

US

**“The US is on the verge of an explosion of greatness”**

David Tepper, Appaloosa, +30% in 2012

EPS x P/E = 10% Expected Return 2013 for US

Europe

Italian election      February

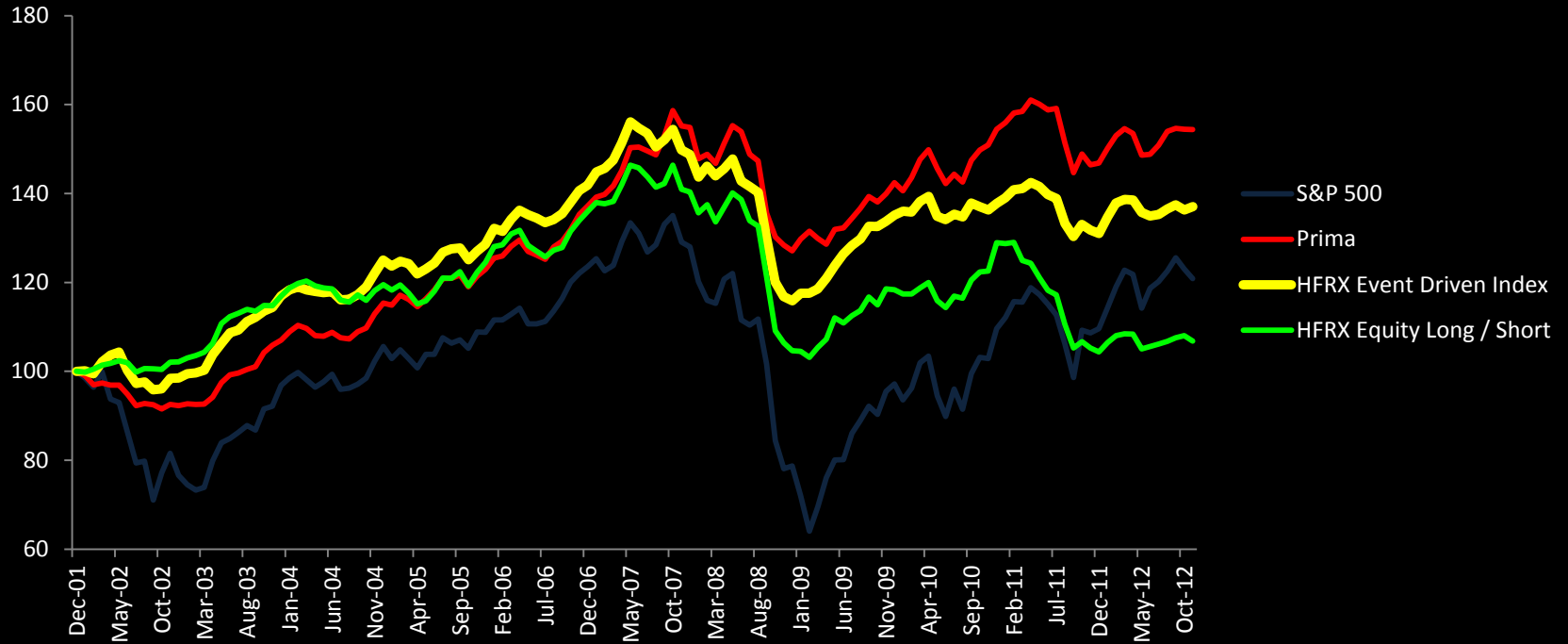
German election      September

Mini crisis ?



Event Driven

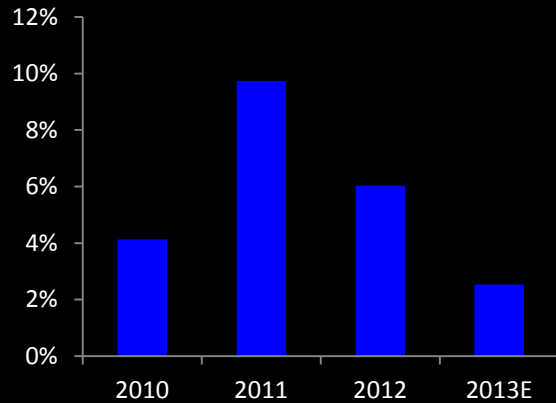
# Is Event Driven a performing strategy ?



# Macro is highly supportive of Event Driven Opportunities

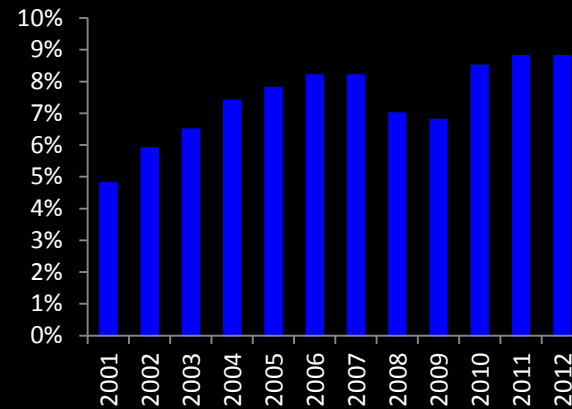
Growth is slowing...

S&P sales growth



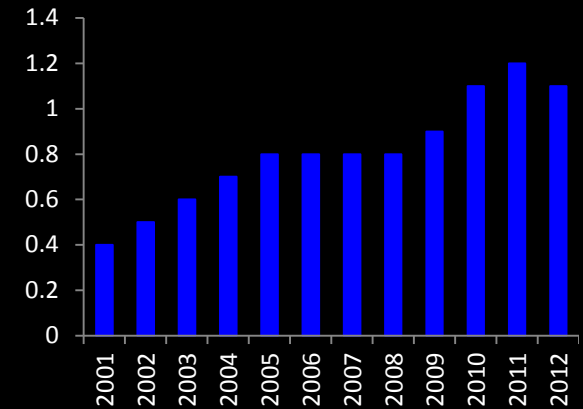
...and costs have already been cut

S&P EBIT Margin %



But cash has been building...

S&P cash balances (\$T)

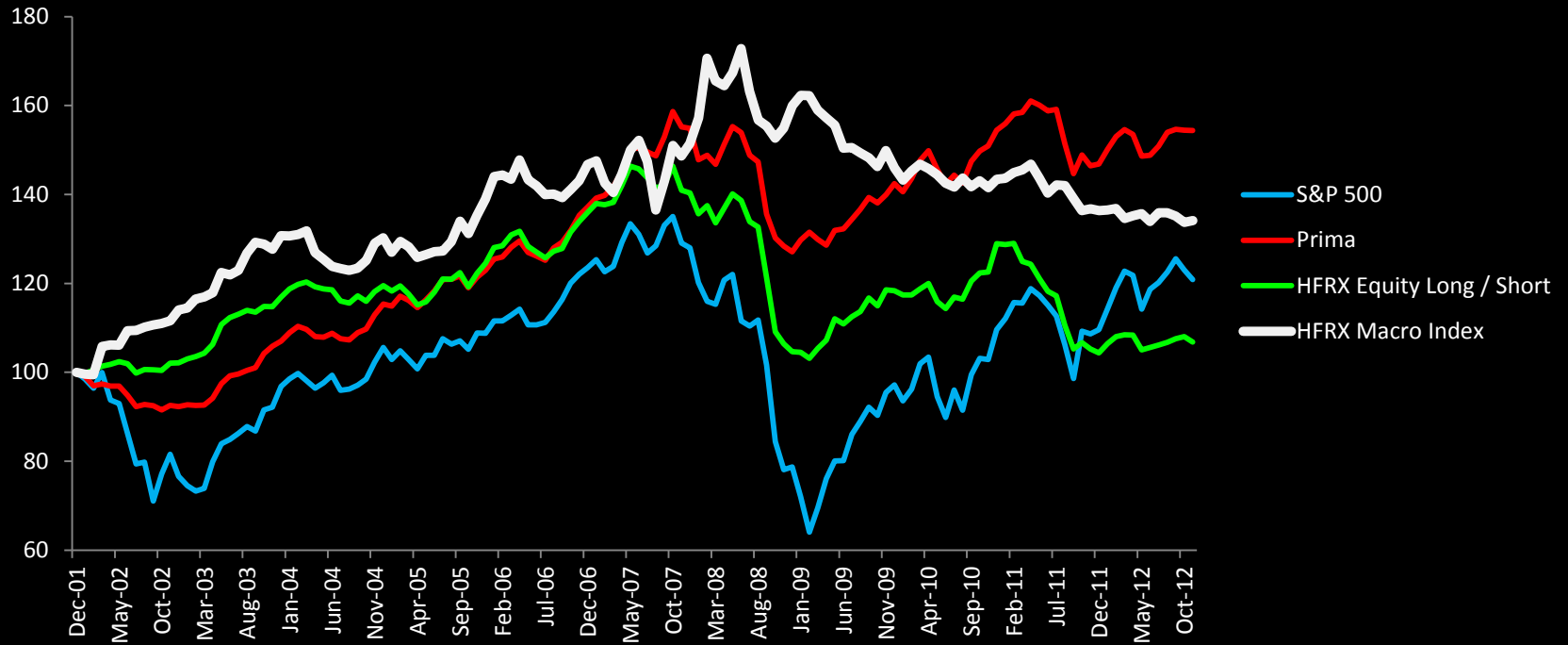


Stealth opportunities

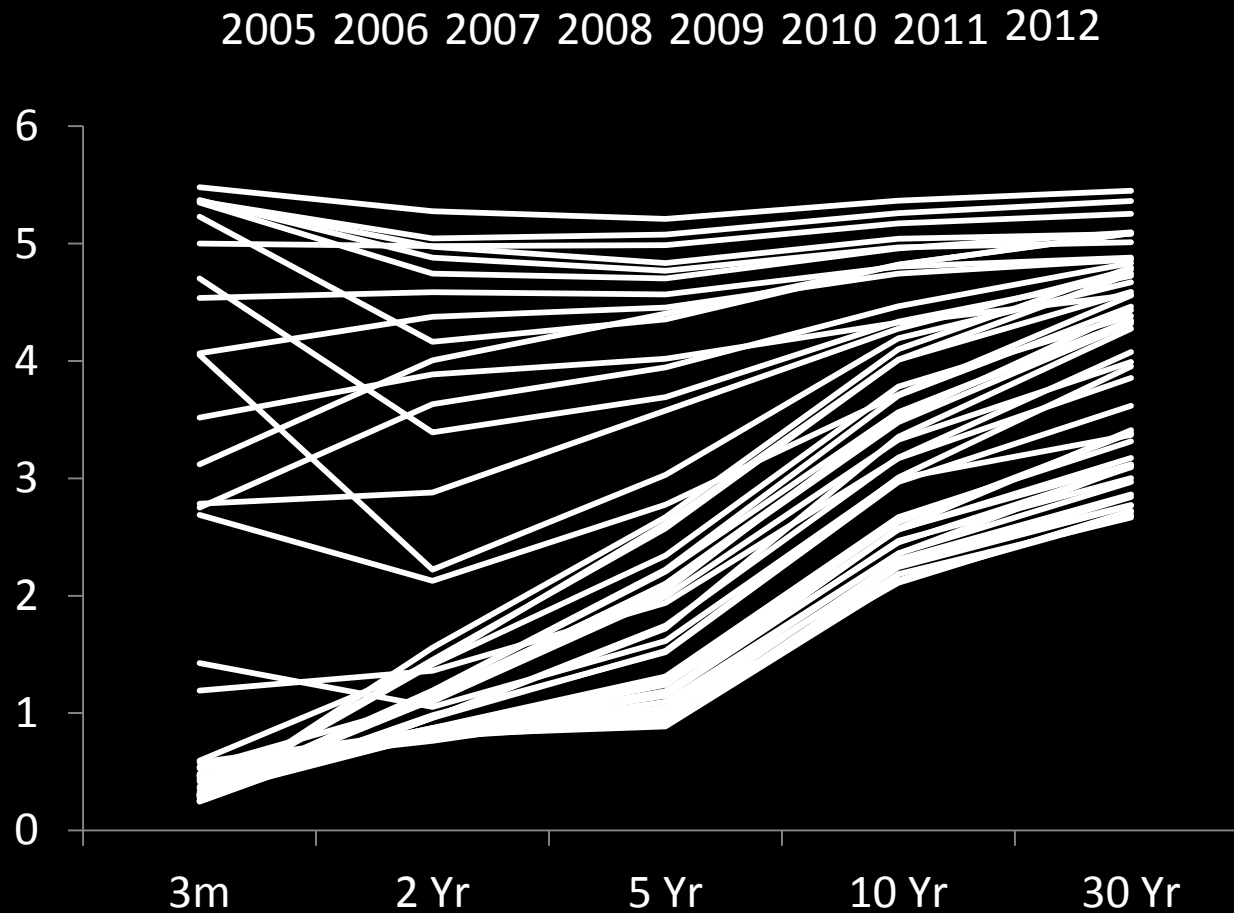


Macro

# Why can't these macros guys just perform?



# A world of compressed opportunities



# Macro: seizing world's major challenges!

## US

- Will inflation surprise to the upside and lead to an interest shock like in 1994?
- What fiscal drag will the recent tax increases and pending entitlements reform create?
- When will the FED exit their massive QE?

## Europe

- Is Spain delaying the inevitable?
- Will the euro survive?
- Will the outcome of the Italian and German election surprise the markets?

## Japan

- Can the newly elected Prime Minister force the BoJ to devalue the Yen?
- Is corporate Japan on the brink of bankruptcy?
- Is this the year of the JGB Short?





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**[www.fundana.ch](http://www.fundana.ch)**

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