

Absolute Return

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Most hedge funds skip PR despite JOBS Act – inaugural ranking

The largest hedge funds shell out for image assistance, while smaller players stay mum

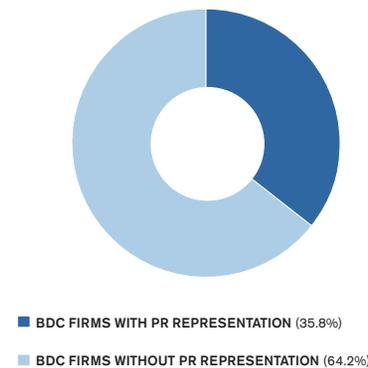
There is one surprising secret that even long-time veterans of the industry may find it hard to believe: hedge funds love to talk.

Not in the traditional sense, of course, of television interviews or sit-down spreads in the Sunday newspaper. But a large proportion of funds, particular the ones with the most assets, employ outside public relations firms to shape their reputations among civilians and potential investors alike.

With the JOBS Act's potential to thrust certain funds further into the public eye (should they desire), Absolute Return conducted an inaugural ranking of the providers who do this painstaking work. Of 268 firms on the Billion Dollar Club list, at least 96 firm managing a total of \$737 billion (52% of BDC assets) employ PR firms, encompassing 18 different providers.

This figure, calculated here for the first time, likely understates the true total, as some hedge fund firms hire help secretly, either permanently or on an ad-hoc basis. This ranking also does not include the numerous sub-\$1 billion hedge fund firms that use PR.

Proportion of Billion Dollar Club with PR firms



Source: Absolute Return

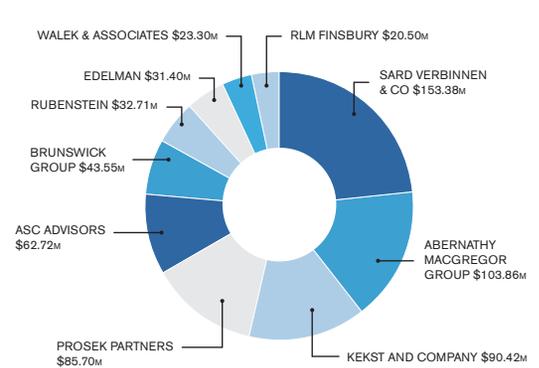
When Absolute Return first began this research, we were met with fierce resistance from some of the PR firms on this list. Unlike its requirement that investment advisors report their prime brokers, administrators, auditors or third party marketers, the U.S. Securities and Exchange Commission does not require hedge funds to disclose who speaks on their behalf. It is ironic, but not infrequent, that a hedge fund's

own paid spokesperson will demand not to be named when declining to comment on behalf of their clients.

In contrast with the prime brokerage world (rankings here), where the biggest firms tend to continue to attract the biggest funds, several smaller public relations shops have maintained their grab on some large clients.

The biggest hedge fund in the world, Bridgewater Associates,

Top 10 PR firms by assets under advisement



Source: Absolute Return

uses Prosek Partners, which has only one other client on the list. The \$12.35 billion California quant shop First Quadrant is the only Billion Dollar Club hedge fund client we have identified of the Hubbell Group, based outside Boston. The \$19.4 billion D.E. Shaw Group holds a similar honor for large public relations shop Burson-Marsteller.

Positive or negative media attention does not necessarily correlate

directly with hiring any particular external helpers, nor do beleaguered funds all sign on with the same crisis experts. David Einhorn, a favorite of CNBC and the hedge fund conference circuit, shares the same flack (Sard Verbin-

nen & Co.) as Steve Cohen, who often receives more critical press attention.

Managers who expect different PR firms to produce different results need only look as far as Phil Falcone's Harbinger Capital Part-

ners; the firm has churned through several representatives while its investors and assets have continued to flee. During the past four years alone, as his assets have plummeted from \$24 billion to \$3 billion, Falcone has cycled

through Finsbury (prior to its merger with RLM), Rubenstein, APCO Worldwide, ASC Advisors and Sitrick And Company.

And Falcone recently signed up for another try with RLM Finsbury, coming full circle.

PR firm name	Number of BDC clients	Assets under advisement (\$B)
Sard Verbinnen & Co.	Och-Ziff, Renaissance, SAC, Eton Park, Anchorage, Mason, Greenlight, Carlson, Coatue, Saba, Ramius, TPG-Axon, Visium, Trian, Scopia, Perella Weinberg, Zweig-DiMenna, Paloma, Autonomy, LibreMax, Watershed, Hutchin Hill, TIG, Ospraie [24 firms]	153.38
Abernathy MacGregor Group	King Street, Moore, York, Tudor, Lone Pine, Pine River, PointState, QIM, Blue Ridge, Ellington, Nephila, Kingdon, Solus, Capstone, New Mountain Vantage, Tremblant, Tiger Asia, Serengeti [18 firms]	103.86
Kekst and Company	Davidson Kempner, Avenue, Highfields, Paulson, MSD, Two Sigma, Silver Point, Monarch, Chilton, Strategic Value Partners, Oak Hill, Blue Harbour [12 firms]	90.42
Prosek Partners	Bridgewater, Marathon [2 firms]	85.7
ASC Advisors	Farallon, Fir Tree, Graham, Abrams, Halcyon, Passport, Blue Ridge, Diamondback, PSAM, JAT, Gramercy, Ionic, Falcon Edge [13 firms]	62.72
Brunswick Group	Canyon, Millennium, ESL, Guggenheim [4 firms]	43.55
Rubenstein Associates	Angelo Gordon, Tiger Global, Hudson Bay [3 firms]	32.71
Edelman	AQR, Perry, Caxton [3 firms]	31.4
Walek & Associates	Paulson, JANA, Soroban, Vermillion, Highland, Everest, First Eagle [7 firms]	23.3
RLM Finsbury	Highbridge/Gavea, Harbinger, Stark [3 firms]	20.5
Scott Tagliarino*	Elliott	19.8
Burston- Marsteller	D.E. Shaw	19.4
Weber Shandwick	Cerberus, MKP [2 firms]	13.03
Hubbell Group	First Quadrant	12.35
Emerald Communications	Maverick	10
Dukas	BlueMountain	7.4
Perry St Communications	HBK	6.54
Sitrick And Company	Doubleline	1.5
No PR firm	173 hedge fund firms	680.15

Source: Absolute Return reporting. Inclusion on this chart does not imply that a public relations firm confirmed its client list. Hedge funds employing more than one PR firm had their assets split equally among those representatives.

*Tagliarino, a managing partner at ASC, continues to work independently with his former employer Elliott Associates.

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