

# Frank is doing what Frank does best

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## Legendary Frank Mersch's hedge fund has return of 53%

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Bloomberg lists about 4,200 hedge funds from around the world in its hedge-fund section, with about 4,000 of them providing their performance numbers. It ranks them by one-year performance.

Scroll through the first couple of pages and up pops a Canadian name, Casurina Performance Fund, run by none other than battle-scarred Bay Street vet Frank Mersch.

The Casurina Performance Fund sits 34th in the world currently, with a one-year return of 53.4%.

Mr. Mersch has been quietly running hedge funds for about five years in Canada through Front Street Capital and the Casurina name. He has built up almost \$350-million in hedge fund assets through several funds, (about \$50-million is the partners' money).

That puts him within the top five or so hedge fund managers in the country by asset size.

The \$55-million Casurina Performance Fund, which trades on the TSX and is RRSP eligible, has bounced around the past few months, but generally the good numbers have held up.

"It's been a rough market the last few months trying to hold the gains and keep everything in tact," he said. "We've been fortunate to have some good wins in a couple of areas ... It's been mostly stock picking. I can't point to any one sector."

Mr. Mersch has owned a couple of homeland-security stocks, such as Vanguard Response Systems Inc. (up 444% in the past year) and Ceramic Protection Corp. (up 1135% in the past year).

Another good pick has been Great Canadian Gaming Corp. (up 178% in the past year).

If there has been one sector that has produced good returns lately in trading it has been biotech, in names such as ConjuChem Inc. (up 133% year to date) and Cryocath Technologies Inc. (up 56% year to date).

"The key hasn't so much been putting the numbers up. That was certainly the case from July to March. But really the key has been trying to get through this April, May and June period. A lot of global hedge funds have had a difficult time. There were some pretty big hits from what I saw."