

US Onshore
[Non-US Offshore](#)
[PEC.net](#)
[Manager Homepage](#)

[\(Search Tips\)](#)

[VIEW PREVIOUS
MEET THE MANAGER
INTERVIEWS](#)
[VIEW PREVIOUS
SHADOW COLUMNS](#)

HEDGEPLUS FUNDS

Meet the Manager: Timothy Sykes, Cilantro Fund Management

by [HedgeNews Editors](#) , February 22, 2005

Meet the Manager is a weekly interview with a manager that uses HedgeFund.net's enhanced transparency platform, HedgePlus.

Meet The Manager



Timothy Sykes, founder of **Cilantro Fund Management** and director of its trading program, has been investing in the markets since his mid-teens. He explained

his investment strategies to HedgeFund.net in a recent interview, particularly his focus on researching potential profit opportunities in small- and micro-cap companies.

A philosophy graduate of Tulane University, he has endowed his alma mater with an apropos university scholarship, the Timothy Sykes Day Trading Award for the Talented.

HedgeFund.net: Can you give us an idea of the origin of your fund?

Timothy Sykes: My story is different. I'm 23-years-old and I've been trading since I was 16. I started senior year in high school. I put my Bar Mitzvah money into a discount online brokerage account and gradually traded my way up from \$13,000 to a fully audited, pre-tax sum of \$1.65 million from 1999 to 2002. I started my hedge fund [Cilantro Fund Partners, LP] my senior year of college because friends and family wanted me to trade for them.

When I first started my fund, I was trying different hedge fund specific brokers out and I did not have a good setup; I lost 18 percent in one month due mostly to my poor setup. It was a tough lesson, but ultimately a necessary one. So, I found a setup that was as close as possible to my original arrangement and I decided to make sure the fund was working properly before actively accepting new assets.

HF.net: Can you explain your general research process?

TS: I trade mostly small-cap and micro-cap stocks. I scan through the universe of companies with under \$500 million in market cap. These are mostly NASDAQ names because I am looking for extreme volatility and liquidity. Most micro-cap and small-cap stocks trade less than 15,000 shares a day. I am interested in the equities that might trade that amount normally but for some reason, the volume and price gyrate greatly allowing for many small profit opportunities along the way.

HF.net: What are some of the attributes you look for in picking a position?

TS: A volume surge is the most important indicator I look for when thinking about initiating a position. I then start an in-depth research process on the company. It might take an hour, it might take three days. It has gotten easier since I have been doing this for six years now; I can say I have a decent fundamental picture of almost every company that pops up on my screens.

Before I even think about investing I really want to know how the company's doing technically and fundamentally. My strategy is based in behavioral finance because it is very much about predicting how other traders will react in a specific time period. I really need to know everything about a company in order to estimate the range of people's expectations. People overreact in the microcap and smallcap markets, and there seems to be a regression toward the mean after a stock has made a large move and the buying or selling pressure subsides.

HF.net: Can you give an example of a recent stock?

TS: There was a great amount of hype and optimism surrounding small companies that could benefit from the Asian tsunami disaster.

One company, Taylor Devices, has very weak fundamentals and yet the stock price quickly rose exponentially as the volume surged by more than 130 times daily average trading volume. People speculated Asian governments and companies might be interested in their seismic absorption technologies. I bought the stock sparingly on the move up as it broke through certain technical barriers, but I was more interested in the short side because the

All HP Funds
Single/Multi Strategy
Fund of Funds

HedgePlus Funds By: Month YTD Last 12 Months Last 36 Months

Show results for the month of : Nov 06 GO

HedgeFunds Sorted By Return

HedgePlus Fund Performance for Nov 06				44
Name of Hedge Fund	Returns	Strategy	RF	
The Prudent Global Natural Resources Fund, LP	12.30%	Long/Short Equity	View	
Select Contrarian Value Partners, L.P.	9.80%	Value	View	
Altissimo Fund, L.P.	9.64%	Long/Short Equity	View	
Forza Partners, L.P.	7.58%	Long/Short Equity	View	
Nanocap Fund, L.P.	6.27%	Small/Micro Cap	View	
Mercury Real Estate Securities Fund LP	4.10%	Long/Short Equity	View	
DSC Alpha, LP	3.54%	Market Neutral Equity	View	
Sciens Fund of Hedge Funds, L.P.	3.45%	Fund of Funds - Multi-Strategy	View	
AJW Qualified Partners, LLC	3.45%	Regulation D	View	
AJW Partners LLC	3.34%	Regulation D	View	
Portage Partners, LP	3.25%	Macro	View	
LJM Partners, LTD	3.10%	CTA/Managed Futures	View	
Triumph Fund II	2.71%	Long/Short Equity	View	
Barington Companies Equity Partners, L.P.	2.64%	Event Driven	View	
Triumph Fund, LP	2.62%	Long/Short Equity	View	
Capital Z Access Fund, L.P.	2.43%	Fund of Funds - Multi-Strategy	View	
LJM Fund, LP	2.33%	CTA/Managed Futures	View	
Broadreach Growth Fund, L.P.	2.15%	Long/Short Equity	View	
Nite Capital LP	2.07%	Multi-Strategy	View	
Winners Circle Fund, LP	1.90%	Fund of Funds - Multi-Strategy	View	
Pinnacle Fund	1.80%	Fund of Funds - Single Strategy	View	
Summit Private Investments I, LP	1.77%	Fund of Funds - Multi-Strategy	View	
Fertilemind Capital Fund I, L.P.	1.74%	Small/Micro Cap	View	
GPS Income Fund LP	1.74%	Event Driven	View	
Cross River Partners	1.59%	Long/Short Equity	View	
GPS High Yield Equities Fund LP	1.52%	Event Driven	View	
Whalehaven Capital L.P.	1.29%	Regulation D	View	
Horizon Fund, L.P.	1.28%	Fixed Income Arbitrage	View	
Longview Fund L.P.	1.08%	Convertible Arbitrage	View	
Innovative Options Fund, LP	0.98%	Options Strategies	View	
Cornell Capital Partners, LP	0.92%	Regulation D	View	
Cornerstone Icon Fund, L.P.	0.92%	Macro	View	
Dutchess Private Equities Fund II LP	0.83%	Regulation D	View	
Pinnacle Opportunity, L.P.	0.80%	Fund of Funds - Multi-Strategy	View	
Dutchess Private Equities Fund L.P.	0.79%	Regulation D	View	
Talisman Partners LLC	0.77%	Fixed Income (non-arbitrage)	View	
INTL Consilium Emerging Market Absolute Return Fund LLC	0.50%	Emerging Markets	View	
Gramercy Emerging Markets, LLC	0.49%	Emerging Markets	View	
Haber Partners L.P.	0.31%	Long/Short Equity	View	
Parallax Fund, L.P.	0.15%	Options Strategies	View	

stock had risen 400+% in two days. The stock retreated gradually over the next few hours and days and I covered my short for a gain.

HF.net: What would prompt you to exit a position?

TS: My models use multiple technical indicators to spit out between a dozen and two dozen different scenarios of what the stock price should do over multiple time periods. If the price veers away from the predicted scenarios, I immediately begin to scale out or exit the position entirely, depending on the situation. I like to trade the most liquid names so a quick exit is possible in case news comes out which changes my opinion of my position. I basically enter into positions with a set of hypotheses and I look for the price action to confirm my thinking and reward me with profits.

Cilantro Fund

[Back to Secure Stories index](#)

Tech Support: +1.212.317.2460

[PRIVACY POLICY](#) | [TERMS OF USE](#) | [FAQ](#) | [GLOSSARY](#)

Copyright 106, Channel Capital Group Inc. All rights reserved

The posting of private investment fund information on the HedgeFund.net website does not constitute an offer to purchase, sell or exchange shares of such funds and no securities transactions and marketing activities shall take place on the website.

NEITHER CHANNEL CAPITAL GROUP INC. ("CCG"), ITS AFFILIATES, OR CCG'S OR ITS AFFILIATES RESPECTIVE OFFICERS, DIRECTORS, AGENTS, MEMBERS, SHAREHOLDERS AND EMPLOYEES (EACH A "CCG PARTY" AND COLLECTIVELY THE "CCG PARTIES") RECOMMENDS OR SOLICITS ANY INVESTMENT BY USERS OF THIS WEB SITE. THE MATERIAL CONTAINED HEREIN IS BASED UPON INFORMATION PROVIDED BY HEDGE FUND MANAGERS AND OTHER SOURCES. THE CCG PARTIES HAVE NOT INDEPENDENTLY VERIFIED SUCH INFORMATION, DO NOT REPRESENT IT AS ACCURATE, TRUE OR COMPLETE, MAKE NO WARRANTY, EXPRESS OR IMPLIED REGARDING IT AND SHALL NOT BE LIABLE FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES RELATING TO ITS ADEQUACY, ACCURACY, TRUTH, COMPLETENESS OR USE. REGISTERED USERS SHOULD NOT RELY UPON THIS DATA TO MAKE AN INVESTMENT DECISION, AND SHOULD NOTE THAT PAST PERFORMANCE IS NOT AN INDICATION OF FUTURE PERFORMANCE.

The www.hedgefund.net website solely provides information about private investment funds. In operating the website, CCG conducts its activities and provides services consistent with those of a web hosting agent or listing agent. CCG may delegate select aspects of its website for operation by one or more of its affiliates.

By accessing the password-protected area of this site, you agree not to invest in any posted hedge fund or alternative investment

(other than funds or alternative investments in which you or your affiliates are already invested, have already been solicited for or are already actively considering an investment in) for thirty (30) days after the approval of your application. Qualified CCG Parties, may have or may have had a marketing relationship and/or General Partnership interest (or other economic interest) in any fund or alternative investment listed. As a result, there may be actual or perceived conflicts of interest. CCG reserves the right to terminate, at any time, any Registered User's account with Hedgefund.net (as well as access to the latter's website), without giving notice or a reason for such termination to the subscriber.

Additionally, by accessing the password-protected area of this site, you agree to immediately contact CCG if there is any change in your status as an "accredited investor" under Regulation D promulgated under the Securities Act of 1933. For individuals such changes may include, for example, a Registered User's net worth declining below \$1,000,000, an expectation that income for the next twelve months may total less than \$200,000, or an expectation that the Registered User's combined income with his or her spouse may total less than \$300,000 in the next twelve months. All Registered Users, including individuals and entities, should communicate with their legal advisors if they believe that their status as an accredited investor has changed. If a Registered User's status as an accredited investor has changed, such Registered User agrees to immediately notify CCG of such change.

The material contained in this web site is for private information of Registered Users. Its text, statistical graphs, data, photos, graphics, audio and/or video material or any portion thereof may not be stored in a computer, published, rewritten for broadcast or publication or redistributed in any medium, except that Registered Users, for their sole use and information, may access, use and store the "Printable Snapshot" feature. CCG Parties are not liable for any delays, inaccuracies, errors or omissions in the material or in the transmission or delivery of all or any part thereof or for any damage arising from any of the foregoing.

Certain funds subscribe to either the HedgePlus Service ("HedgePlus"), the HFN Tracker Service ("HFN Tracker") or HFN Basic ("HFN Basic") on the www.hedgefund.net website. CCG may receive fees from funds that subscribe to HedgePlus, HFN Tracker or HFN Basic, or otherwise waive such fees in the event of a business relationship between the fund and any one or more of the CCG PARTIES. NO CCG PARTY PERFORMS OR HAS PERFORMED ANY PRIOR OR ONGOING DUE DILIGENCE OR CONDUCTED ANY OTHER INVESTIGATION OF ANY FUND IN CONNECTION WITH SUCH FUND'S PARTICIPATION IN HEDGEPLUS, AND NO CCG PARTY MAKES ANY REPRESENTATION OR WARRANTY WHATSOEVER THAT ANY DATA OR INFORMATION APPEARING ON HEDGEPLUS IS TRUE, ACCURATE OR COMPLETE. One or more qualified CCG Parties may receive compensation from certain funds on the HedgeFund.net website for investments made in such funds by registered users and other investors, provided, however, no investments are permitted to be made through the use of the HedgeFund.net website.

Investments in hedge funds and other private investment funds are speculative and involve a high degree of risk. You could lose all or a substantial amount of your investment. Each fund is unique and there are unique risks involved when investing in a particular hedge fund. You should carefully read a fund's offering materials and related information for specific risk and other important information regarding an investment in that fund before investing. This website does not list, and does not purport to list, the risk factors associated with an investment in any of the hedge funds listed on this site.