

# Hedge Fund Alert

By **with.** Intelligence

## Big Year Puts Exclamation Point on Comeback as Apis Reaches Performance, Asset Heights

**Apis Capital** roared in 2025, and again in January.

The global small-cap hedge fund manager, which was nearly wiped out by redeeming investors following the 2008 global financial crisis, scored profits close to or above 50% in each of its three funds in 2025. Coupled with inflows, the performance propelled assets to twice the New York firm's credit-crisis peak of \$650 million. Apis now runs \$1.3 billion, up from \$600 million at the start of last year.

The firm followed up in January with the best monthly return – 12.8% – in its flagship fund since that offering launched in April 2004. That now-\$1 billion flagship, also called Apis Capital, popped 55.1% last year as the 22-year-old fund posted its best full-year performance.

Meanwhile, the firm's \$150 million micro-cap-focused Apis Global Deep Value spiked 48.7% in 2025 and gained an additional 11.2% last month. And its \$130 million long-only offering, Apis Global Discovery Fund, jumped 51.4% last year and profited 11.9% in January.

By comparison, the MSCI All Country World Index was up 22.9% last year and 3% in January, while the S&P 500 Index rose 17.9% last year and the With Intelligence Long/Short Equity Asset Weighted Index climbed 14.4%.

Now Apis is within reach of hitting the roughly \$1.5 billion capacity of its flagship fund and the \$200 million capacity of its deep value fund. The global discovery fund, which mirrors the long sides of the other two funds, has significant space to grow, given its capacity of \$1 billion.

Apis invests in what it calls a “a combination of macro themes with structural tailwinds and idiosyncratic bottom-up ideas.”

Sector-wise, the firm's bets on companies focused on mining and electronic memory and storage continued to pay off last month. They were among the key areas that fueled the firm's gains in 2025. Other contributors included technology-focused defense companies, power infrastructure and electric grid-modernization businesses, and companies benefiting from a European stimulus program targeting infrastructure and construction. Nuclear power and various trades related

to the policies of President **Donald Trump** likewise juiced returns.

Now, as markets have seen a resurgence in small-cap stocks and as international equities broadly outpaced U.S. stocks last year, Apis believes it's well positioned for continued strong performance.

“In a world of shifting geopolitics, technological disruption, and capital misallocation, Apis thrives by uncovering mispriced, misunderstood, and underfollowed opportunities,” the firm told investors last month.

Apis was founded by portfolio manager **Daniel Barker** and director of research **Eric Almeraz** in 2004, the year they launched their flagship offering. The pair previously worked together at **J&W Seligman**, where Barker was a PM and Almeraz was an analyst.

The debut fund performed very well in its first three full years, with returns of 22.9%, 17.8% and 41.8% in 2005, 2006 and 2007, respectively. By July 2008, assets for the firm had reached \$650 million. Two months later, equity markets worldwide began crashing. Apis' flagship fund finished the year down 24.4%.

The loss was only somewhat worse than those suffered by the typical hedge fund that year, and the vehicle fared much better than the 42.2% plunge in the MSCI index. While those circumstances might have offered some protection in most down years, the credit crisis coincided with the **Bernard Madoff** scandal.

Some of Apis' investors included Swiss funds of funds, which had exposure to Madoff's Ponzi scheme and which were looking for liquidity wherever they could find it. Apis' fund was liquid, and, unlike some hedge fund managers during that era, the firm declined to bar redemptions, making it a target among panicked limited partners. By 2011, Apis' assets had plunged to \$50 million.

Rather than wind down and rebrand or start over elsewhere, Apis' partners stuck it out. Since then, the firm has had only one down year in its flagship fund – it lost 16.2% in 2018, a bad year for equities broadly – and it has continued to put up solid returns and attracted a new set of investors.

The flagship vehicle now sports a 12.5% annualized return, while the deep value offering, which launched in 2005, has an annualized return of 14.7%. The global discovery fund, which launched in 2020, has an annualized return of 20.9%.

Including last year, the flagship has produced double-digit returns in nine of its 20 full-year returns. ■