

INFORMING THE HEDGE FUND COMMUNITY

US50

THE US' LARGEST 50 SINGLE MANAGERS RANKED BY AUM

IN ASSOCIATION WITH



Introduced by Philippe Teilhard

Global Head of Prime Brokerage Group, NewEdge

Welcome to the first edition of *The Hedge Fund Journal's US50* published in association with Newedge.

Much like its European and Asian predecessors, the **EUROPE50** and the **ASIA25**, the **US50** is a listing of the fifty largest US single hedge fund managers ranked by assets under management as at 30th June 2008.

This time *The Hedge Fund Journal (THFJ)* has turned its inquisitive eye on the hedge funds industry's birthplace – the United States of America. It was in New York that Alfred Winslow Jones formed the first hedge fund. He applied the basic techniques associated with hedge funds today, namely leverage and short selling, to hedge out his risk, and he avoided the Investment Company Act of 1940 by keeping below the 99 investors threshold. In his first year he made a 17.3% return on his US\$100,000 seed investment.

Twenty years later the hedge fund structure had become far more popular; the likes of George Soros and Michael Steinhardt had initiated their own hedge funds and there were around 140 other nascent funds in existence. Now in 2008 hedge funds number in the thousands with global assets of around US\$2.7 trillion and the biggest of them are located in the US.

The US holds the world's largest and oldest hedge fund firms and with that the lion's share of the global hedge fund assets. By way of illustration, the Connecticut-based firm, Viking Global Investors, sits at the bottom of the **US50** with assets under management of US\$9bn. A European firm managing that amount of money would have occupied fourteenth position at the time *THFJ* published the last edition of its **EUROPE50**, and an Asian firm managing that amount of money would have occupied first position at the time *THFJ* published the last edition of its **ASIA25**. A sure sign of the difference in scale.

The firm occupying the top slot, JPMorgan Asset Management, has grown its assets in the last six months by just over US\$3.5bn. This is a common theme amongst the top players in the US. Despite difficult market conditions the top firms have grown their assets significantly. Bridgewater Associates has held its position as the world's second largest hedge fund manager and grown its asset base in the last six months by an astounding US\$7bn, while D.E. Shaw Group and Paulson & Company have grown their AUM by US\$5bn and US\$6bn respectively, over the same period.

However, where there is gain, there is pain. This has been a particularly turbulent year across the entire financial sector and hedge fund managers have not escaped unscathed. A lack of credit and weakening stock markets have hurt many firms. The most notable in the **US50** is Atticus Capital. Tim Barakett's activist fund's concentrated positions in financials, notably NYSE Euronext and Deutsche Borse, have brought about an estimated loss of assets to the tune of US\$6bn in this calendar year to bring their AUM to approximately US\$14bn.

“ This has been a particularly turbulent year across the entire financial sector and hedge fund managers have not escaped unscathed”

Other big players who have felt the pinch are Goldman Sachs Asset Management and Renaissance Technologies Corporation, which lost US\$2.3bn and US\$3.8bn respectively.

However, it is important to note two factors. First, that in general, the hedge fund industry has largely mitigated its losses. Other parts of the asset management industry have suffered far more at the hands of the markets in the same space of time. Second, the losses of hedge funds are exacerbated by redemptions. Investors, displeased with underperformance can, and do, pull out their cash causing AUM figures to plummet. So a drop in assets is not necessarily a fair representation of a manager's investment performance.

Geographically, US hedge funds are predominantly based in New York, the financial powerhouse of the US. NYC is home to firms managing US\$509.8bn which equates to just over 59% of the aggregate AUM of the **US50** firms.

The next largest gatherings are in Greenwich, Connecticut and Boston, Massachusetts, which when combined account for a further 13.6% (US\$117bn) of the aggregate AUM of the **US50** firms.

There are entrants in the **US50** from the West Coast. Farallon Capital Management (US\$33bn), the San Francisco-based manager, occupies sixth position, whilst in twenty-fifth position sits Californian firm, Canyon Capital Advisors (US\$14.265bn), based in Beverley Hills.

However, it will be clear to the reader that the epicentre for hedge funds in the USA remains the financial powerhouses of the North East.

Firms just failing to make the cut include Silver Point Capital (position fifty-one) with approximately US\$8.7bn, Glenview Capital Management (US\$8.5bn) and Cantillon Capital Management (US\$8.394bn).

As with previous rankings *THFJ* has sourced information directly from managers, where possible. In cases where firms did not wish to reveal information *THFJ* has had to create an estimate through information gathered from independent sources. Estimated figures are noted (est.) in the ranking.

As many of *THFJ's* readers will be aware, the legal framework in the US is far more stringent for hedge funds in terms of what information they can and cannot provide. US hedge funds are under the Security and Exchange Commission's microscope and many of the managers contacted were very concerned not to do anything that could be construed as solicitation, so whilst firms were prepared, on the whole, to share their AUM figures with *THFJ*, they were far more reluctant to provide information on fund names, strategies and portfolio managers. *THFJ* has sourced this information, where provided, from other sources.

The hedge fund giants in the US have often been the industry's trailblazers. Names like Steinhardt, Soros, Tudor-Jones and Robertson were the first to push back the boundaries and increase the visibility of the industry and in their footsteps came the likes of Griffin, Paulson, Mindich and Och. The US industry has witnessed considerable growth in recent years. But the growth in assets managed by the big US firms over the course of the first half of 2008 has been exceptional given the challenging market conditions. As at 30 June 2008 the firms that make up the **US50** managed in aggregate US\$859.9bn. At the beginning of 2008 that aggregate figure stood at US\$818.3bn. A growth of US\$40bn in just six months is a testament not only to the ability of these managers but also an indication of a 'flight to quality' of the type we are seeing elsewhere in the industry. **THFJ**



01. JPMorgan Asset Management

AUM (30 Jun 08) US\$48.1bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
JPMorgan AM US\$21.5bn Highbridge Capital Corp US\$26.6bn	Asia Opportunities	Not disclosed	Long/Short Equity	Not disclosed
	Highbridge Capital Corporation	Not disclosed	Long/Short Equity	Not disclosed
Location New York, NY				

02. Bridgewater Associates

AUM (30 Jun 08) US\$43.0bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
Location Westport, CT	Pure Alpha All Weather	Not disclosed	Multi-strategy Global Macro	Raymond Thomas Dalio

03. DE Shaw Group

AUM (30 Jun 08) US\$37.1bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
Location New York, NY	D. E. Shaw Composite Oculus Fund	Eric Wepsic & Gaudio Dinning & Anne Dinning	Multi-strategy Global Macro	David E. Shaw

04. Paulson & Co

AUM (30 Jun 08) US\$35.0bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
Location New York, NY	Paulson Credit Opportunities Paulson Credit Opportunities II Paulson Advantage Paulson Advantage Plus Paulson Partners	John Paulson John Paulson John Paulson John Paulson John Paulson	Credit Credit Multi-Strategy Multi-Strategy Merger Arbitrage	John Paulson

05. Och-Ziff Capital Management

AUM (30 Jun 08) US\$33.3bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
Location New York, NY	Master Fund	Not disclosed	Not disclosed	Daniel Och

06. Farallon Capital Management

AUM	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
US\$33.0bn (est)	Farallon Capital Offshore Farallon Capital Onshore	Not disclosed	Multi-strategy Multi-strategy	Thomas Steyer
Location	San Francisco, CA			

07. Renaissance Technologies Corp

AUM (30 Jun 08)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
US\$29.5bn	Renaissance Institutional Equities Fund Medallion Renaissance Institutional Futures Fund	Not disclosed	Quantative Long/Short Equity	James Simons
Location	East Setauket, NY			

08. Harbert Management Corporation

AUM (30 Jun 08)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
US\$27.0bn	Harbinger Capital Partners Fund Harbinger Capital Partners Offshore Fund Harbinger Capital Partners Special Situation Fund	Philip Falcone	Distressed Debt Distressed Debt Event Driven	Philip Falcone Harbert Management Corporation
Location	New York, San Francisco			

09. Goldman Sachs Asset Management

AUM (30 Jun 08)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
US\$26.9bn	GS Emerging Markets Opportunities Fund GS Global Alpha Fund	Not disclosed	Not disclosed	Not disclosed
Location	New York, NY			

10. Avenue Capital Group

AUM (30 Jun 08)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
US\$20.45bn	Asia International Europe International Avenue International	Not disclosed	Distressed Debt	Marc Lasry Sonia Gardner
Location	New York, NY			



11. Angelo, Gordon, Co

AUM (30 Jun 08) US\$20.0bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Raphael II	Not disclosed	Multi-strategy	John Angelo Michael Gordon
Location New York, NY				

12. Fortress Investment Group

AUM (30 Jun 08) US\$18.1bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Drawbridge Global Macro Drawbridge Special Opportunities	Not disclosed	Global Macro Event Driven	Wesley Edens Robert Kauffman Randal Nardone Michael Novogratz Peter Briger
Location New York, NY				

13. Citadel Investment Group

AUM (30 Jun 08) US\$17.5bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Kensington Global Strategies Wellington Partners	Not disclosed	Multi-Strategy Multi-Strategy	Ken Griffin
Location Chicago, IL				

14. Tudor Investment Corporation

AUM (30 Jun 08) US\$17.4bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Raptor Global Fund Tudor BVI Global Fund Tudor Tensor Fund	James Palotta Paul Tudor-Jones Steve Evans	Long/Short Equity Global Macro Systematic Global Macro	Paul Tudor-Jones
Location Greenwich, CT				

15. Moore Capital Management

AUM (30 Jun 08) US\$17.4bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Moore Global Investment Fund Moore Global Fixed Income Fund Moore Emerging Market Fund Remington Investment Strategies Moore Credit	Louis Moore Bacon Louis Moore Bacon Louis Moore Bacon	Global Macro Fixed Income Global Macro Long/Short Equity Credit	Louis Moore Bacon
Location New York, NY				

16. Soros Fund Management

AUM (30 Jun 08) US\$17.0bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Quantum Endowment Fund	Not disclosed	Global Macro	George Soros
Location New York, NY				

17. TPG-Axon Capital Management

AUM (30 Jun 08) US\$16.5bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	TPG-Axon Capital	Not disclosed	Not disclosed	Dinakar Singh Taizo Hasabe Hari Kumar Eric Mandelblatt
Location New York, NY				

18. Cerberus Capital Management

AUM (30 Jun 08) US\$16.4bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Cerberus International Cerberus Partners Styx International Styx Partners Long Horizons Fund Series Two	Steve Feinberg	Distressed Debt	Steve Feinberg
Location New York, NY				

19. York Capital Management

AUM (30 Jun 08) US\$16.37bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	York Investment York Select York Capital Management York Global Value Partners York Credit Opportunities	James Dinan	Event Driven Distressed Debt Multi-strategy Multi-strategy	James Dinan
Location New York, NY				

20. QVT Financial

AUM (30 Jun 08) US\$15.2bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	QVT Overseas	Dan Gold	Multi-strategy	Dan Gold
Location New York, NY				



21. Perry Capital

AUM (30 Jun 08) US\$14.9bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Perry Partners International	Richard Perry	Multi-strategy	Richard Perry
Location	New York, NY			

22. FX Concepts

AUM (30 Jun 08) US\$14.65bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Concepts Multi-strategy Fund GCP Fund Global Financial Markets Fund DMC Fund	Not disclosed	CTA/Global Emerging Market Debt CTA/Global Emerging Market Debt CTA/Global Emerging Market Debt CTA/Global Emerging Market Debt	John Taylor
Location	New York, NY			

23. Stark Investments

AUM (30 Jun 08) US\$14.452bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Shepherd Investments International Stark Investments Stark Asia Fund	Brian Stark & Mike Roth	Multi-strategy Multi-strategy Asia and Emerging Markets	Brian Stark Michael Roth
Location	St. Francis, WI or Milwaukee			

24. Canyon Capital Advisors

AUM (30 Jun 08) US\$14.265bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Canyon Value Realization Fund	Mitchell Julis & Joshua Friedman	Arbitrage	Joshua Friedman Mitchell Julis Robert Turner
Location	Beverly Hills, CA			

25. Davidson Kempner Capital Management

AUM (30 Jun 08) US\$14.1bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Davidson Kempner Distressed Operations, Davidson Kempner Healthcare International Davidson Kempner International	Michael Leffell & Anthony Yoseloff Roderick Wong Thomas Kempner & Marvin Davidson	Distressed Debt Long/Short Equity Multi-strategy	Thomas Kempner Marvin Davidson
Location	New York, NY			

26. SAC Capital Advisors

AUM (30 Jun 08) US\$14.0bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	SAC Capital	Not disclosed	Not disclosed	Steve Cohen
Location Stamford, CT				

27. Atticus Capital

AUM (30 Jun 08) US\$14.0bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	European Fund Global Fund	Not disclosed	Activist	Tim Barakett David Slager
Location New York, NY				

28. Bain Capital

AUM (30 Jun 08) US\$13.3bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	[Brookside Captial Partners] [Sanakty Advisors] Prospect Harbour [Absolute Return Capital Partners]	Not disclosed	Not disclosed	William Romney Coleman Andrews Eric Kriss
Location Boston, MA				

29. Eton Park Capital Management

AUM (30 Jun 08) US\$13.0bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Master Fund Eton Park Offshore Eton Park Overseas Fund	Not disclosed	Multi-strategy Multi-strategy Multi-strategy	Eric Mindich
Location New York, NY				

30. ESL Investments

AUM (30 Jun 08) US\$13.0bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Not disclosed	Not disclosed	Not disclosed	Edward Lampet William Crowley
Location Greenwich, CT				



31. Millennium Partners

AUM (30 Jun 08) US\$12.1bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Millennium International/USA	Israel Englander	Multi-strategy	Israel Englander
Location	New York, NY			

32. Caxton Associates

AUM (30 Jun 08) US\$12.0bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Caxton Global Investment Caxton Equity Growth Caxton Alpha Equity	Bruce Kovner Kurt Feuerman Kurt Feuerman	Global Macro Long/Short Equity Directional Diversified Equity	Bruce Kovner
Location	New York, NY			

33. Adage Capital Management

AUM (30 Jun 08) US\$12.0bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Not disclosed	Not disclosed	Not disclosed	Phill Gross Robert Atchinson
Location	Boston, MA			

34. Baupost Group

AUM (30 Jun 08) US\$12.0bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Not disclosed	Not disclosed	Not disclosed	Seth Klarman
Location	Boston, MA			

35. Elliot Management Corp

AUM (30 Jun 08) US\$11.6bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Elliott International Elliott Associates	Not disclosed	Not disclosed	Paul Singer
Location	New York, NY			

36. Maverick Capital

AUM (30 Jun 08) US\$11.5bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Maverick Fund Maverick Levered	Lee Ainslie III	Long/Short Equity Long/Short Equity	Lee Ainslie III
Location New York, NY				

37. King Street Capital Management

AUM (30 Jun 08) US\$11.3bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	King Street Capital Management Ltd King Street Capital Management LP	Not disclosed	Multi-strategy Event Driven	Ottavio Biondi Brian Higgins
Location Stamford, CT				

38. Highfields Capital Management

AUM (30 Jun 08) US\$11.0bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Not disclosed	Not disclosed	Not disclosed	Jonathon Jacobson Richard Grubman
Location Boston, MA				

39. Marathon Asset Management

AUM (30 Jun 08) US\$10.975bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Marathon Master Fund Marathon Global Equity Fund Marathon Overseas Fund Marathon Special Opportunity Fund Marathon Structured Finance Fund	Louis Hanover Bruce Richards & Louis Hanover Bruce Richards & Louis Hanover	Asia and Emerging Markets Convertible Arbitrage Long/Short Credit Event Driven Distressed Debt	Bruce Richards
Location New York, NY				

40. Alliance Bernstein

AUM (30 Jun 08) US\$10.9bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Bernstein Advanced Value Bernstein Global Diversified Bernstein Global Opportunities Alliance High-Grade Alliance Bernstein Absolute-Return Credit Fund	Mark Gordon	Not disclosed	Lewis Sanders Gerald Lieberman
Location New York, NY				



41. Blackrock

AUM (30 Jun 08) US\$10.9bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Blackrock Small-Cap Energy Hedge Fund Obsidian Fund Galaxite Fund All-Cap Hedge Fund Health Sciences Hedge Fund	Dan Rice & Denis Walsh Stu Spodek & Scott Amero Scott Amero Dan Rice & Denis Walsh Erin Xie	Long/Short Equity Fixed Income Relative Value Long/Short Credit Long/Short Equity Long/Short Equity	Laurence Fink
Location New York, NY				

42. Black River Asset Management

AUM (30 Jun 08) US\$10.5bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Black River Capital	Not disclosed	Multi-Strategy	Gary Jarrett Eric Larson
Location Minnetonka, MN				

43. HBK Capital Management

AUM (30 Jun 08) US\$10.145bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	HBK Master Fund	Not disclosed	Multi-strategy	Harlan Korenvaes
Location Dallas, TX				

44. Fairfield Greenwich Group

AUM (30 Jun 08) US\$10.05bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Fairfield Sentry Arlington International Greenwich Sentry Fairfield Dover Fund	Walter Noel	Equity Arbitrage Event Driven Long/Short Equity	Walter Noel Jeffrey Tucker Andres Piedrahita
Location New York, NY				

45. AQR Capital Management

AUM (30 Jun 08) US\$10.0bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Not disclosed	Not disclosed	Not disclosed	Clifford Asnes David Kalliber Robert Krail John Liew
Location Greenwich, CT				

46. Duquesne Capital Management

AUM (30 Jun 08) US\$10.0bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Windmill Master Fund Duquesne Leveraged Fund Duquesne Unleveraged Fund	Stanley Druckenmiller	Distressed Debt Multi-Strategy Multi-Strategy	Stanley Druckenmiller
Location Pittsburgh, PA [or] New York, NY				

47. Wellington Capital Management Co

AUM (30 Jun 08) US\$10.0bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Not disclosed	Not disclosed	Not disclosed	Perry Traquina
Location Boston, MA				

48. Mariner Investment Group

AUM (30 Jun 08) US\$9.857bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Mariner Partner Mariner Atlantic Caspian Capital Partners Mariner Voyager Mariner Opportunities	Not disclosed	Not disclosed	Stuart Boesky
Location Harrison, NY				

49. Lone Pine Capital

AUM (30 Jun 08) US\$9.2bn	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Lone Cypress Lone Cedar	Stephen Mandel	Long/Short Equity Long/Short Equity	Stephen Mandel
Location Greenwich, CT				

50. Viking Global Investors

AUM (30 Jun 08) US\$9.0bn (est)	Principal Fund(s)	Fund Manager(s)	Fund Strategy	Founders/Principals
	Viking Global Equities III	Andreas Halvorsen, David Ott, Brian Olson	Long/Short Equity	Andreas Halvorsen David Ott Brian Olson
Location Greenwich, CT				