

Billion Dollar Club

JPMorgan takes top spot as assets of top 241 U.S. funds cross \$1 trillion

As money continued to flow into alternatives last year, combined assets at the largest U.S. hedge funds finally crossed the trillion-dollar mark. The top three firms each exceeded \$30 billion in assets for the first time, with JPMorgan Asset Management unseating Goldman Sachs Asset Management as the largest hedge fund platform, with \$34 billion. Among the top tier, Renaissance Technologies joins the top 10 for the first time, and Cerberus Capital Management rejoins the list after a three-year hiatus.

The Absolute Return Billion Dollar Club, our biannual survey of U.S. hedge funds, shows that 241 firms, each managing more than \$1 billion, held a combined total of nearly \$1.2 trillion as of January 1. That is about \$215 billion more than the top 218 firms were managing this past summer and \$347 billion more than the top 207 firms were running at the beginning of last year. And the huge increases came during a year when hedge fund closures, including that of \$9.1 billion Amaranth Advisors, erased \$35 billion from the market. (See "Poof! \$35 billion gone from hedge funds," p14.)

As in past surveys, the biggest of the big continued to attract significant assets. Seventy-six firms now manage \$5 billion or more and hold a total of \$801 billion, while the top 20 firms control nearly \$386 billion, having increased their assets by an average year-over-year rate of 45%.

Bank platforms continue to top the list. Rapidly rising in the ranks after the purchase of Highbridge Capital Management two years ago, JPMorgan jumped into the top spot with a 74% increase from the \$19.5 billion the firm held as of January 2006. Goldman Sachs, which held the number-one position for all of 2006, weighs in at \$32.5 billion. Goldman's assets rose by nearly 48% despite the fact that its flagship Global Alpha fund reportedly lost 10% in 2006. Rounding out the top five are Bridgewater Associates (\$30.2 billion, up 47%), D. E. Shaw Group (\$26.3 billion, up 40%) and Farallon Capital Management (\$26.2 billion, up 59%).

While the top 10 have remained a relatively stable group in recent years, the hierarchy has shifted somewhat, in part due to the institutionalization of the market. Longtime hedge fund heavyweights Campbell & Co., which suffered mediocre returns in 2006, and Caxton Associates fell out of the top 10. Still, their declines are only relative. Campbell increased assets by 15% in 2006, while Caxton's assets rose around 10%. These firms simply fell behind the growth rates of Cerberus, which ranked 8th with \$19 billion and was up 70%, and Renaissance, with \$24 billion, up 176%. Renaissance produced the only increase above 100% on such a significant asset base.

Renaissance jumped to sixth place with the addition of \$15.3 billion in the past year, primarily due to the firm's Renaissance Institutional Equities Fund (RIEF). Launched on July 31, 2005, RIEF marked the first time in 13 years that outsiders were given the opportunity to invest with Renaissance founder James Simons. The firm says RIEF has an ultimate capacity of \$100 billion, though in November the firm limited subscriptions to \$2 billion per month. Even at that rate, Renaissance could dominate the top 10 in as little as a year.

In raw percentages, the Billion Dollar Club's biggest increase was scored by NIR Group, a Roslyn, N.Y. firm run by Corey Ribotsky that launched a credit opportunities fund last year. NIR raised more than \$3 billion for the fund, expanding to \$3.62 billion from \$407 million a year earlier, a 789% increase. NIR is followed by former Banc of America Securities President Jon Sandelman's Sandelman Partners, which expanded to \$2.5 billion from \$651 million a year ago (a 284% increase), and quant shop Tykhe Capital, which grew to \$1.8 billion from \$470 million (plus 283%). Camulos Capital, launched by Soros alumnus Richard Brennan, increased assets by 217% from \$600 million to manage \$1.9 billion, and in fifth place stands San Francisco fixed-income shop Algert Coldiron Investors. The firm rose to \$1.5 billion this January, a 196% increase on its assets of \$508 million last year.

Rapidly rising in the ranks after the purchase of Highbridge Capital Management two years ago, JPMorgan jumped into the top spot with a 74.36% increase from the \$19.5 billion the firm held as of January 2006

The biggest launch last year, Convexity Capital Management, joined the top-60 in its first year. Former Harvard Endowment chief Jack Meyer's entrée into the hedge fund industry, and the most successful launch in history, raised \$6.3 billion. The firm's performance was basically flat in 2006, and Meyer decided not to raise additional

assets as originally planned. Another 2006 launch, Old Lane Management, which joined the Billion Dollar Club this summer, increased to \$4 billion from \$3 billion at midyear.

As in past surveys, the majority of assets are clustered at the largest firms. In January, 76 firms managed \$5 billion or more, up from 55 a year ago. Together, these 76 control \$801 billion, up from \$500 billion last year. The top 20 firms, which held \$258 billion last January, now manage nearly \$386 billion.

Similarly, 29 firms now run more than \$10 billion, up from 16 last year, and well ahead of the 12 that managed such huge sums in July 2005. This survey also marks the first time that assets for any firm exceeded \$30 billion. JPMorgan, Goldman Sachs and Bridgewater all surpassed that mark.

Six firms have fallen out of the Billion Dollar Club since July. Amaranth Advisors' assets dissipated as fast as the natural gas on which their investors' fortunes were ill-wagered. SAB Capital Management, with \$1.4 billion in July, merely dipped under the \$1 billion threshold, as was also the case for Copper Arch Capital and Courage Capital Management. Another five firms fell out of the club in the first half of the year - Archeus Capital, Salus Capital, Stonebrook Fund Management, Lotsoff Capital and Para Advisors. That brings the total departures in 2006 to 11, well below the 21 firms that left the Billion Dollar Club in 2005.

Thirty firms are new to the survey, though some are not new to the hedge fund world. Among those to cross the billion-dollar threshold are biotechnology-focused OrbiMed Advisors, commodities shop Front Street Capital, and top-performing multistrategy shop Basso Capital Management, which reached \$1.3 billion from \$617 million a year ago.

Assets at 65 firms grew by more than 50% in 2006, while 29 firms lost assets in 2006. Worst hit was Argent Financial Group, whose assets fell nearly 35%, from \$2.4 billion to \$1.56 billion. The firm's decline is partly the result of shuttering its \$415 million high-yield arbitrage fund following mediocre performance. Among other losers: John W. Henry & Co. (-33.08%), MKP Capital Management (-29.41%), and Alpine Associates (-27.27%).

Pirate Capital fared better than predicted, though the firm was expected by some to lose sizable assets after a U.S. Securities and Exchange Commission investigation began and a majority of the firm's analysts jumped ship. The firm dropped from a high of \$1.8 billion in July to \$1.1 billion this January, a 39% drop - but only a 27% drop from the \$1.5 billion Pirate held last January. Investor confidence in the firm appears to have remained strong, thanks in part to decent, if index-lagging, performance in 2006: Pirate's flagship fund (offshore) produced a net return of 10.44% for the year.

While hedge fund registration with the SEC is no longer mandatory, following the appeals court's historic ruling last year, two-thirds of the Billion Dollar Club have remained registered. Only two of the top 10 firms, Cerberus and ESL, are not registered. Among billion-dollar firms to have deregistered are Adage Capital Management, Ospraie Management, Intrepid Capital Management, North Sound Capital and Copper River Management.

Others are thinking about it, but does it matter? Somewhat, it appears. SEC-registered firms in the Billion Dollar Club averaged a 36% increase in assets over the previous year, while unregistered firms averaged a 29% increase. The unregistered average slips to 28%, however, if newcomer NIR Group's increase of 789% is omitted.

The attraction of registered funds is not surprising. According to sister publication InvestHedge, funds of funds increased assets by \$183 billion last year, more than double the \$72 billion increase of 2005, and now manage around \$820 billion. Despite volatility and some impressive losses in 2006, funds of funds and institutional investors continue to favor the largest, most seemingly stable, firms and invest accordingly.

Josh Friedlander

As in past surveys, the majority of assets are clustered at the largest firms. In January, 70 firms managed \$5 billion or more, up from 55 a year ago

U.S. GROUPS WITH MORE THAN \$1BN AUM IN 2007

FIRM	LOCATION	JAN AUM \$BN	GROWTH IN 2006	SEC REG.
JPMorgan Asset Management1	New York NY	34.00	74.36%	Y

Goldman Sachs Asset Management	New York	NY	32.53	47.87%	Y
Bridgewater Associates*	Westport	CT	30.20	47.32%	Y
D. E. Shaw Group	New York	NY	26.30	39.89%	Y
Farallon Capital Management*	San Francisco	CA	26.20	58.79%	Y
Renaissance Technologies Corp.	East Setauket	NY	24.00	175.86%	Y
Och-Ziff Capital Management	New York	NY	21.00	40.00%	Y
Cerberus Capital Management	New York	NY	19.15	69.60%	N
Barclays Global Investors*	San Francisco	CA	18.90	28.57%	Y
ESL Investments**	Greenwich	CT	18.00	20.00%	N
Citigroup Alternative Investments	New York	NY	15.77	162.85%	Y
Tudor Investment Corporation	Greenwich	CT	15.17	17.60%	N
Caxton Associates	New York	NY	14.20	10.08%	Y
Atticus Capital	New York	NY	14.00	60.92%	N
Campbell & Co.	Towson	MD	13.80	15.00%	Y
Citadel Investment Group	Chicago	IL	13.50	12.50%	N
Moore Capital Management	New York	NY	12.50	22.55%	N
Avenue Capital Group	New York	NY	12.40	37.78%	Y
Perry Capital	New York	NY	12.34	8.26%	Y
SAC Capital Advisors	Stamford	CT	12.00	41.18%	N
Soros Fund Management	New York	NY	12.00	25.00%	N
HBK Investments	Dallas	TX	11.90	35.23%	Y
FX Concepts	New York	NY	11.25	44.19%	Y
Angelo, Gordon & Co.	New York	NY	11.00	10.00%	Y
Fairfield Greenwich Group	New York	NY	11.00	50.68%	Y
Stark Investments*	St. Francis	WI	10.83	42.46%	Y
Davidson Kempner Advisers**	New York	NY	10.26	65.48%	Y
Highfields Capital Management	Boston	MA	10.00	29.87%	N
Wellington Management Co.**	Boston	MA	10.00	19.05%	Y
Canyon Capital Advisors	Beverly Hills	CA	9.60	18.52%	Y
AQR Capital Management	Greenwich	CT	9.50	21.79%	Y
Fortress Investment Group**	New York	NY	9.40	38.24%	Y
Maverick Capital	New York	NY	9.30	-15.45%	Y
Duquesne Capital Management**	Pittsburgh	PA	8.80	10.00%	N
Millennium Management**	New York	NY	8.60	32.31%	N
Adage Capital Management	Boston	MA	8.10	n/a	N
Cantillon Capital Management	New York	NY	8.10	6.58%	Y
York Capital Management	New York	NY	8.00	5.26%	Y
Lone Pine Capital	Greenwich	CT	7.94	5.84%	N
Black River Asset Management	Minnnetonka	MN	7.90	75.56%	Y

King Street Capital Management	New York	NY	7.40	21.31%	N
Baupost Group	Boston	MA	7.36	26.90%	Y
Bain Capital/Brookside Capital Partners	Boston	MA	7.30	40.38%	N
BlackRock	New York	NY	7.30	92.11%	Y
Pequot Capital Management	Westport	CT	7.30	2.82%	Y
AllianceBernstein*	New York	NY	7.20	53.19%	Y
TPG-Axon Capital	New York	NY	7.20	26.32%	N
Paulson & Co.	New York	NY	7.14	62.36%	Y
Elliott Associates	Greenwich	CT	7.00	25.00%	N
Grantham, Mayo, Van Otterloo**	Boston	MA	7.00	52.17%	Y
Silver Point Capital**	Greenwich	CT	6.50	35.42%	N
Convexity Capital Management	Boston	MA	6.30	n/a	N
QVT Financial	New York	NY	6.30	57.50%	N
Eton Park Capital Management	New York	NY	6.20	37.78%	N
GoldenTree Asset Management	New York	NY	6.20	63.16%	Y
Marathon Asset Management	New York	NY	6.20	19.23%	Y
UBS O'Connor	New York	NY	6.20	31.91%	Y
Glenview Capital Management	New York	NY	6.10	-3.17%	N
Polygon Investment Partners	New York	NY	6.10	144.00%	N
Galleon Group	New York	NY	6.00	100.00%	Y
Viking Global Investors**	New York	NY	6.00	20.00%	N
Kingdon Capital Management	New York	NY	5.93	11.89%	N
JANA Partners	New York	NY	5.80	28.89%	N
Bear Stearns Asset Management	New York	NY	5.60	55.56%	Y
FrontPoint Partners2	Greenwich	CT	5.60	-11.11%	Y
D.B. Zwirn & Co.	New York	NY	5.50	37.50%	N
Icahn Partners	New York	NY	5.50	103.70%	N
Omega Advisors	New York	NY	5.50	30.95%	Y
Tontine Capital Management	Greenwich	CT	5.50	30.95%	N
Trafelet Delta Funds	New York	NY	5.50	22.22%	N
Satellite Asset Management	New York	NY	5.40	-1.82%	Y
Appaloosa Management	Chatham	NJ	5.30	35.90%	N
Harbinger Capital Partners	New York	NY	5.30	65.63%	N
Graham Capital Management	Rowayton	CT	5.20	6.12%	N
Ellington Management	Old Greenwich	CT	5.00	25.00%	Y
Ospraie Management	New York	NY	5.00	42.86%	N
Contrarian Capital Management*	New York	NY	4.73	27.85%	Y
Amber Capital Investment Management	New York	NY	4.70	161.11%	Y
Drake Management	New York	NY	4.70	113.64%	Y

Greenlight Capital Management	New York	NY	4.70	30.56%	Y
Tremblant Capital Group	New York	NY	4.60	2.22%	N
Taconic Capital Advisors	New York	NY	4.50	104.55%	Y
Zazove Associates*	Northbrook	IL	4.44	23.31%	Y
Analytic Investors, Inc.	Los Angeles	CA	4.40	90.73%	Y
Chilton Investment Company	Stamford	CT	4.30	22.86%	Y
Highland Capital Management	Dallas	TX	4.30	168.75%	Y
Atlantic Investment Management	New York	NY	4.25	8.97%	Y
Deephaven Capital Management	Minnetonka	MN	4.20	40.00%	Y
Sandell Asset Management	New York	NY	4.20	0.00%	N
Third Point Management	New York	NY	4.20	23.53%	Y
Orbis Investment Management*		Bermuda	4.11	8.16%	N
Magnetar Capital	Evanston	IL	4.00	73.91%	Y
Old Lane Management	New York	NY	4.00	n/a	N
Standard Pacific Capital**	San Francisco	CA	4.00	-13.04%	Y
Halcyon Asset Management	New York	NY	3.90	21.88%	Y
Numeric Investors	Cambridge	MA	3.90	8.33%	Y
Steel Partners**	New York	NY	3.90	30.00%	N
Eminence Capital	New York	NY	3.80	26.67%	N
Ramius Capital Group	New York	NY	3.80	18.75%	Y
Regiment Capital Management	Boston	MA	3.80	22.58%	N
Strategic Value Partners	Greenwich	CT	3.80	65.22%	Y
Tewksbury Capital Management**		Bermuda	3.80	26.67%	N
Blue Ridge Capital*	New York	NY	3.78	11.17%	N
Diamond Hill Capital Management	Columbus	OH	3.71	142.19%	Y
DB Advisors Capital Management**	New York	NY	3.70	32.14%	Y
DKR Capital Partners	Stamford	CT	3.70	8.82%	Y
Two Sigma Investments	New York	NY	3.70	48.00%	N
NIR Group	Roslyn	NY	3.62	789.25%	N
Mariner Investment Group	Harrison	NY	3.49	9.05%	Y
Platinum Grove Asset Management*	Rye Brook	NY	3.46	103.03%	Y
GSO Capital Partners	New York	NY	3.40	47.83%	Y
Crabel Capital Management	Milwaukee	WI	3.34	33.40%	N
Gabriel Capital Group**	New York	NY	3.20	6.67%	N
Knott Partners (Shoshone)**	Syosset	NY	3.20	166.67%	N
III Offshore Advisors	Boca Raton	FL	3.10	-20.51%	Y
Quantitative Financial Strategies, Inc.	Greenwich	CT	3.05	-25.69%	Y
Eastbourne Capital Management**	San Rafael	CA	3.01	50.39%	Y
Andor Capital Management**	Greenwich	CT	3.00	0.00%	Y

Centaurus Advisors**	Houston	TX	3.00	100.00%	N
Kynikos Associates	New York	NY	3.00	42.86%	Y
Pershing Square Capital Management	New York	NY	3.00	150.00%	N
Tiger Global	New York	NY	3.00	n/a	N
Wexford Capital	Greenwich	CT	3.00	25.00%	Y
Ivory Investment Management	Los Angeles	CA	2.96	43.18%	Y
BlueMountain Capital Management	New York	NY	2.90	16.00%	Y
Parkcentral Capital Management**	Plano	TX	2.90	45.00%	Y
Ritchie Capital Management**	Geneva	IL	2.80	12.00%	Y
Optima Fund Management	New York	NY	2.77	-1.00%	Y
Fir Tree Partners	New York	NY	2.70	8.00%	N
Camden Asset Management*	Los Angeles	CA	2.61	-3.41%	Y
Alson Capital Partners*	New York	NY	2.60	44.44%	Y
Lydian Asset Management	Westport	CT	2.60	73.33%	Y
Peloton Partners	Montecito	CA	2.60	57.58%	Y
Sowood Capital Management**	Boston	MA	2.60	30.00%	N
Tiedemann Investment Group*	New York	NY	2.54	15.41%	Y
JWM Partners	Greenwich	CT	2.54	33.47%	Y
Kinetics Advisors	New York	NY	2.51	25.35%	Y
Anchorage Advisors	New York	NY	2.50	66.67%	Y
BP Capital Management	Dallas	TX	2.50	38.89%	Y
INVESCO*	Atlanta	GA	2.50	56.25%	Y
Q Investments**	Dallas	TX	2.50	150.00%	N
Quadrangle Group	New York	NY	2.50	31.58%	N
Sandelman Partners	New York	NY	2.50	284.02%	Y
Carlson Capital	Dallas	TX	2.40	-11.11%	Y
DiMaio Ahmad Capital**	New York	NY	2.40	71.43%	Y
Epsilon Investment Management	Boca Raton	FL	2.40	71.43%	N
Intrepid Capital Management	New York	NY	2.40	20.00%	N
Mason Capital Management	New York	NY	2.40	100.00%	N
GMT Capital Corp.	Atlanta	GA	2.36	57.33%	N
Kingate Management**	Hamilton	Bermuda	2.30	15.00%	N
Kleinheinz Capital Partners**	Fort Worth	TX	2.30	n/a	Y
Redwood Capital Management	Englewood Cliffs	NJ	2.30	27.78%	N
P. Schoenfeld Asset Management	New York	NY	2.25	125.00%	Y
Seasons Capital Management	San Francisco	CA	2.25	32.35%	Y
Longacre Fund Management	New York	NY	2.21	55.19%	Y
Concordia Advisors	New York	NY	2.20	4.76%	Y
Everest Capital Limited	Hamilton	Bermuda	2.20	22.22%	Y
Gracie Capital	New York	NY	2.20	n/a	N

Zweig-DiMenna Associates	New York	NY	2.20	22.22%	N
Blenheim Capital Management	Somerset	NJ	2.18	147.67%	N
Joho Capital	New York	NY	2.15	34.38%	N
Ore Hill Partners	New York	NY	2.10	31.25%	Y
Plainfield Asset Management	Greenwich	CT	2.10	90.91%	Y
Sailfish Capital Partners	Stamford	CT	2.10	61.54%	Y
Shumway Capital Partners**	Greenwich	CT	2.10	0.00%	N
Thales Fund Management	New York	NY	2.10	31.25%	Y
Advent Capital Management	New York	NY	2.03	69.17%	Y
North Sound Capital**	Greenwich	CT	2.01	-30.69%	N
Blackstone Group	New York	NY	2.00	n/a	Y
Chesapeake Capital Management	Richmond	VA	2.00	17.65%	N
Clovis Capital Partners**	New York	NY	2.00	81.82%	Y
HighSide Capital Management	Dallas	NY	2.00	11.11%	Y
Prentice Capital Management**	New York	NY	2.00	66.67%	N
Aristeia Capital**	New York	NY	1.90	111.11%	Y
Camulos Capital	Stamford	CT	1.90	216.67%	Y
Clarium Capital Management	San Francisco	CA	1.90	35.71%	Y
Karsch Capital Management	New York	NY	1.90	n/a	Y
Stanfield Capital Partners	New York	NY	1.90	0.00%	Y
WG Trading Company	Greenwich	CT	1.90	-9.52%	Y
Brencourt Advisors	New York	NY	1.85	42.31%	Y
Symphony Asset Management*	San Francisco	CA	1.84	15.11%	Y
Post Advisory Group	Los Angeles	CA	1.81	-3.17%	Y
BBT Asset Management**	Fort Worth	TX	1.80	n/a	N
Sunrise Capital Partners	Solana Beach	CA	1.80	-10.00%	N
Tykhe Capital**	New York	NY	1.80	282.98%	Y
John W. Henry & Co.	Boca Raton	FL	1.74	-33.08%	N
Copper River Management	Milburn	NJ	1.70	30.77%	N
Dune Capital Management	New York	NY	1.70	6.25%	N
Fore Research & Management	New York	NY	1.70	30.77%	Y
Kayne Anderson Capital Advisors	Los Angeles	CA	1.70	21.43%	Y
Neuberger Berman/Liberty View**	New York	NY	1.70	30.77%	Y
Suttonbrook Capital Management	New York	NY	1.70	n/a	Y
Touradji Capital Management	New York	NY	1.70	41.67%	N
Caspian Capital Management*	New York	NY	1.69	-11.05%	Y
Owl Creek Asset Management	New York	NY	1.69	53.45%	Y
Whitebox Advisors*	Minneapolis	MN	1.66	38.25%	Y
Alpine Associates**	Cresskill	NJ	1.60	-27.27%	N

Attalus Capital*	Philadelphia	PA	1.60	81.61%	Y
Bain Capital/Sankaty Prospect Harbor	Boston	MA	1.60	100.00%	N
Dawson-Herman Capital Management	Southport	CT	1.60	14.29%	Y
Laurus Capital Management	New York	NY	1.60	60.00%	Y
Argent Financial Group	Chapel Hill	NC	1.56	-34.88%	Y
Algert Coldiron Investors	San Francisco	CA	1.50	196.06%	Y
AAA Capital Management Advisors**	Houston	TX	1.50	25.00%	N
Botti Brown Asset Management	San Francisco	CA	1.50	n/a	Y
First Quadrant	Pasadena	CA	1.50	51.52%	Y
Gramercy Advisors	Greenwich	CT	1.50	25.00%	Y
Kayne Anderson Capital Advisors	Los Angeles	CA	1.50	7.14%	Y
Moon Capital Management	New York	NY	1.50	25.00%	N
Paloma Partners	Greenwich	CT	1.50	-6.25%	N
Partner Fund Management**	San Francisco	CA	1.50	15.38%	Y
Saracen Energy Advisors	Houston	TX	1.50	108.62%	Y
Arnhold and S. Bleichroeder Advisers*	New York	NY	1.49	8.47%	Y
Gruss & Co.	New York	NY	1.40	16.67%	Y
Oaktree Capital Management*	Los Angeles	CA	1.40	7.69%	Y
Cumberland Associates	New York	NY	1.35	-10.00%	Y
Royal Capital Management	New York	NY	1.34	63.41%	Y
Mount Lucas Management*	Princeton	NJ	1.32	-18.01%	Y
Traxis Partners	New York	NY	1.31	-12.34%	Y
Basso Capital Management	Stamford	CT	1.30	110.70%	Y
Cavalry Asset Management	San Francisco	CA	1.30	n/a	Y
Hunter Global Investors	New York	NY	1.30	0.00%	Y
Pennant Management	Milwaukee	WI	1.30	8.33%	Y
Millburn Ridgefield Corporation*	Greenwich	CT	1.26	3.87%	Y
Alexandra Investment Management	New York	NY	1.21	-7.31%	Y
Ascend Capital*	San Francisco	CA	1.20	9.09%	Y
Bain Capital/Absolute Return Capital Partners	Boston	MA	1.20	20.00%	N
Clinton Group	New York	NY	1.20	9.09%	Y
Cyrus Capital Management	New York	NY	1.20	37.93%	Y
MKP Capital Management*	New York	NY	1.20	-29.41%	Y
Oakbrook Investments*	Lisle	IL	1.13	15.63%	Y
Bay Harbour Management	New York	NY	1.10	50.89%	Y
Elm Ridge Capital Management	Irvington	NY	1.10	-26.67%	Y
Empyrean Capital Partners	Los Angeles	CA	1.10	-26.67%	Y
Pirate Capital	Norwalk	CT	1.10	-26.67%	Y

ReachCapital Management**	Harrison	NY	1.10	-17.29%	Y
Front Street Investment Management	Toronto	Canada	1.03	15.79%	Y
OrbiMed Advisors	New York	NY	1.02	11.12%	Y
Dalton Investments	Los Angeles	CA	1.00	-15.82%	Y
Highline Capital Management	New York	NY	1.00	12.36%	Y
K Capital Partners**	Boston	MA	1.00	-33.33%	N
TOTAL			1198.62		

* = AUM as of December 31, 2006 ** = Estimate

1 = JPMorgan Asset Management's \$34 billion includes \$16.6 billion from Highbridge Capital Management.

2 = FrontPoint Partners is a wholly-owned subsidiary of Morgan Stanley & Co. and resides within its Investment Management's Absolute Return Strategies Group. The information above is for FrontPoint Partners only.

METHODOLOGY

The Absolute Return Billion Dollar Club measures the amount of equity capital (unlevered assets) managed in hedge fund strategies at all U.S.-based hedge funds - and those with a substantial U.S. presence - that hold \$1 billion or more in such assets. The survey, published in March and September (based on January 1 and July 1 asset totals) does not count the assets within long-only, private equity or funds of funds strategies, and excludes notional assets except when they are fee-producing, as with CTAs. Whenever an asset figure can not be conclusively confirmed, we will use the most accurate estimates obtainable.