

TOP HEDGE FUND ASSETS DECLINE MORE THAN 32% IN 2008'S SECOND HALF; 29% FOR THE YEAR OVERALL

- **BILLION DOLLAR CLUB MEMBERS IN AMERICAS FALL \$541 BILLION**
- **Bridgewater largest fund, Soros rejoins the top 10**

New York, March 4, 2009 – Assets of the largest hedge funds in the Americas, those managing \$1 billion or more, decreased by 32.3% in the second half of 2008. These giants now manage combined assets of \$1.134 trillion, a decline of \$541 billion from the \$1.675 trillion they managed last July, according to *Absolute Return* magazine, a publication of HedgeFund Intelligence.

Absolute Return's Billion Dollar Club now includes 218 firms, each managing more than \$1 billion, a decrease of 18.66% from the 268 firms that belonged to the club in July. A majority of these firms suffered a decline in assets resulting from a combination of investor redemptions and poor performance.

The number of firms managing \$10 billion or more has declined drastically. Some 31 heavyweights managed combined assets of \$512 billion as of January 1, 2009, down from 47 such firms managing \$857 billion as of July 1, 2008. Even though overall hedge fund assets have been shrinking, concentration of assets at the largest firms continues to grow. The top ten firms by size now manage \$249.8 billion, more than 22% of all assets in the Billion Dollar Club; in July 2008, they controlled 20% of the club's assets.

Bridgewater Associates and Soros Fund Management were the only two firms in the top ten to increase assets over the course of 2008. Bridgewater moved up to first place from its second place slot in July, with \$38.6 billion under management. JPMorgan (including JPMorgan Asset Management and Highbridge Capital Management) slipped to second place, with \$32.90 billion, down from July assets of \$48.1 billion. Paulson & Co., moved up to third place from fourth, despite an asset decline to \$29 billion from \$34.94 billion in July. The firm started and ended the year with \$29 billion.

D. E. Shaw Group traded places with Paulson to place fourth with \$28.6 billion, a 22.91% decline from July. Och-Ziff Capital Management remained in fifth place despite declining by one third to \$22.10 billion from \$33.3 billion in July.

The biggest winner of 2008 was Baupost Group, which now manages \$16.8 billion, an increase of \$5.5 billion from last January (and a 48.67% growth in assets). The biggest loser of 2008 in terms of dollars lost was Farallon Capital Management, which fell to eighth place from third as assets dropped 44.44% in 2008 to leave the firm with \$20 billion at present, down \$16 billion from last January. An astounding 89% of firms declined in size over the second half of 2008 and 73% declined in size over the past year.

New York remains the state with the greatest number of Billion Dollar Club members, as it is home to 121 firms managing combined assets of \$680 billion. Connecticut is second largest, hosting 29 firms that manage a total of \$149 billion. California is third with 25 hedge funds in the state managing \$96 billion.

TOP TEN U.S. HEDGE FUND FIRMS (JANUARY 2009)**

<u>Firm</u>	<u>AUM</u> (\$ billions)
Bridgewater Associates	\$38.60
JPMorgan	\$32.90
Paulson & Co.	\$29.00
D. E. Shaw Group	\$28.60
Och-Ziff Capital Management	\$22.10
Soros Fund Management	\$21.00
Goldman Sachs Asset Management	\$20.60*
Farallon Capital Management	\$20.00
Renaissance Technologies	\$20.00
Barclays Global Investors	\$17.00*

Source: *Absolute Return*

Unless noted otherwise, all asset figures are as of January 1, 2009.

* as of December 31

** the full Billion Dollar Club appears in *Absolute Return's* March issue.

Press Release: TOP HEDGE FUND ASSETS DECLINE MORE THAN 32% IN 2008'S SECOND HALF

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Page 2 of 3

How this survey differs from others

It's a starting point:

The *Absolute Return* Billion Dollar Club is the only survey of hedge fund assets in the Americas that bases its conclusions on a list of all firms known to possess \$1 billion or more in hedge fund assets. The Billion Dollar Club's totals should necessarily be considered a baseline for the assets of the U.S. hedge fund industry, as there are myriad firms that are not included in the list because their assets do not reach the \$1 billion threshold. HedgeFund Intelligence produces similar surveys for Asia and Europe that are combined every six months into our Global Review, which will be released shortly.

It contains fresh information:

The Billion Dollar Club, whenever possible, bases firm asset totals on January 1 data, which includes the most recent redemptions and allocations, thereby making the survey more current and accurate than those focusing on December 31 numbers. In instances where only December 31 data is available, it has been specifically noted in the survey.

About *Absolute Return*

Absolute Return is the leading source of U.S. hedge fund news and information, featuring proprietary data and analysts on more than 2,600 U.S. single-manager hedge funds. *Absolute Return*, a monthly magazine, and the *Absolute Return* Directory and Database are divisions of HedgeFund Intelligence, the biggest provider of hedge fund news and data in the world with the largest and most knowledgeable editorial and research teams of any hedge fund information provider. We supply data on over 8,600 funds and comprehensive news and analysis from across the globe. For more information, please visit www.hedgefundintelligence.com/ar.

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Notes:

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