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RICHEST HEDGE FUNDS

ILLUSTRATION BY ISTVÁN SZUGYICZKY



THE
WORLD'S
RICHEST
HEDGE
FUNDS

THE TIGER CUBS ROAR

CHASE COLEMAN'S TIGER GLOBAL FUND SCORED A 45 PERCENT GAIN AND THE NO. 1 SPOT. OTHER ACOLYTES OF TIGER MANAGEMENT FOUNDER JULIAN ROBERTSON ALSO DISTINGUISHED THEMSELVES IN A YEAR WHEN PERFORMANCE WAS GENERALLY DISMAL.

BY ANTHONY EFFINGER, KATHERINE BURTON AND ARI LEVY ILLUSTRATION BY DAVID JOHNSON



Left to right, Bill Hwang of Tiger Asia, Chase Coleman of Tiger Global, Julian Robertson of Tiger Management and Philippe Laffont of Coatue Management

CHARLES PAYSON
COLEMAN III,
KNOWN AS CHASE,
IS AS CLOSE AS ONE
GETS TO AMERICAN
ARISTOCRACY.

A descendent of Peter Stuyvesant, the last Dutch governor of New York, Coleman was raised in Glen Head, a posh enclave on New York's Long Island. He went to Deerfield Academy in Massachusetts and then, like his father and grandfather, attended Williams College, where he played lacrosse. He graduated in 1997 and went to work as a technology analyst for Julian Robertson, a godfather of the hedge-fund industry, at Tiger Management LLC.

Coleman had a connection at Tiger. He had grown up with Robertson's son, Spencer, who lived in nearby Locust Valley.

Soon after Robertson, 79, closed his fund in 2000, he handed his son's former playmate more than \$25 million to manage. Coleman was 25 at the time. That made him one of at least 30 so-called Tiger cubs—fund managers who are Tiger Management alumni. There are another 40-odd so-called Tiger seeds—funds backed by Robertson dollars. Coleman and his Tiger Global LP, along with a half dozen others, are both.

Chase Coleman has been handed a lot in his life, and he's made good with the gifts. He took his Robertson stake and built a \$10 billion firm, partly by investing in Internet companies before they sold shares to the public. These days, he owns, among other things, a stake of undisclosed size in social



⌘ **Julian Robertson's** Tiger Management has spawned more than 70 new funds.

networking phenomenon Facebook Inc. and another in Zynga Inc., creator of the *Mafia Wars* and *FarmVille* online games. Zynga raised more than \$1 billion in a Dec. 15 initial public offering.

Coleman's flagship \$6 billion Tiger Global fund returned 45 percent in the first 10 months of 2011, putting it at the top of the BLOOMBERG MARKETS list of the 100 best-performing hedge funds managing \$1 billion or more. He manages the fund with Feroz Dewan, a Princeton University-educated

engineer and mathematician. "I have known Chase since he was a small boy," Robertson wrote in a statement. "He's a great competitor and an immensely gifted portfolio manager. I would always bet on Chase."

Joining the Tiger team takes more than good breeding and connections. Robertson used to give prospective hires a written test to gauge their intelligence, competitiveness and ability to work on a team. Tiger Management, which still exists to invest money for Robertson's family and a few outsiders, uses a similar exam to find managers to seed, a person familiar with the test says.

Tiger cubs learned at the right hand of Robertson, who vetted almost every idea before it became a trade, the

MELISSA GOLDEN/REDUX

100 TOP-PERFORMING LARGE HEDGE FUNDS

	Fund, Manager(s)	Management Firm, Location	Strategy	ASSETS, IN BILLIONS	YTD TOTAL RETURN	2010 RETURN
1	Tiger Global , Chase Coleman, Feroz Dewan	Tiger Global Management, U.S.	Long/short	6.0	45.0%	18.0%
2	Renaissance Institutional Equities , Peter Brown, Robert Mercer	Renaissance Technologies, U.S.	Quantitative	7.0	33.1	16.4
3	Pure Alpha II , Ray Dalio	Bridgewater Associates, U.S.	Macro	53.0	23.5	44.8
4	Discus Managed Futures Program , Team managed	Capital Fund Management, France	Managed futures	2.5	20.9	-6.7
5	Providence MBS , Russell Jeffrey	Providence Investment Management, U.S.	Mortgage-backed arbitrage	1.3	20.6	30.3
6	Oculus , David E. Shaw	D.E. Shaw & Co., U.S.	Multistrategy	7.0	19.0	6.9
7	All Weather 12% , Ray Dalio	Bridgewater Associates, U.S.	Macro	4.4	17.8	21.2
*	Dymon Asia Macro , Danny Yong	Dymon Asia Capital, Singapore	Macro	1.6	17.8	15.2
9	Citadel , Ken Griffin	Citadel Investment Group, U.S.	Multistrategy	11.0	17.7	10.8
10	Coatue Management , Philippe Laffont	Coatue Capital Management, U.S.	Long/short	4.7	16.9	18.7
11	Stratus Multi-Strategy Program , Team managed	Capital Fund Management, France	Multistrategy	3.7	16.6	1.6
12	OxAM Quant Fund , Andre Stern, Steve Mobbs, Steven Kurlander	OxFORD Asset Management, U.K.	Quantitative	2.0	16.4	25.9
13	SPM Core , Don Brownstein, William Mok	Structured Portfolio Management, U.S.	Fixed income	1.0	15.7	34.8
14	Pure Alpha I , Ray Dalio	Bridgewater Associates, U.S.	Macro	11.0	14.9	27.4
15	Autonomy Global Macro , Robert Gibbins	Autonomy Capital, U.K.	Macro	2.1	13.9	26.3
16	BlackRock Fixed Income Global Alpha , Tim Webb	BlackRock Alternative Investors, U.S.	Fixed income	2.4	13.8	10.8
17	SPM Structured Servicing Holdings , Don Brownstein, William Mok	Structured Portfolio Management, U.S.	Fixed income	1.6	13.5	51.0
18	GSA Capital International , Jonathan Hiscock, David Khabie-Zeitoun	GSA Capital Partners, U.K.	Quantitative	1.0	13.0	12.1
19	JAT Capital , John Thaler	JAT Capital Management, U.S.	Long/short	2.5	12.7	11.0
20	Brevan Howard Master , Alan Howard	Brevan Howard Asset Management, U.K.	Macro	26.4	10.8	1.0
21	MKP Opportunity Offshore , Patrick McMahon	MKP Capital Management, U.S.	Macro	1.2	10.7	-0.3
22	Paulson Gold , John Paulson	Paulson & Co., U.S.	Commodities	1.2	9.8	35.0
23	Cerberus International , Stephen Feinberg	Cerberus Capital Management, U.S.	Distressed	1.8	8.9	7.4
24	Capula Tail Risk , Yan Huo	Capula Investment Management, U.K.	Tail risk	2.3	8.6	7.9
*	Macquarie Asian Alpha A , Nick Bird, Andrew Alexander	MQ Portfolio Management, Australia	Long/short	1.6	8.6	10.3
*	Tiger Asia , Bill Hwang	Tiger Asia Management, U.S.	Long/short	1.3	8.6	0.5
27	Drawbridge Special Opportunities , Peter L. Briger Jr.	Fortress Investment Group, U.S.	Credit	5.0	8.4	25.5
28	Saba Capital Offshore , Boaz Weinstein	Saba Capital Management, U.S.	Credit	3.9	8.1	11.0
29	D.E. Shaw Composite , David Shaw	D.E. Shaw & Co., U.S.	Multistrategy	16.0	8.0	2.5



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	Fund, Manager(s)	Management Firm, Location	Strategy	ASSETS, IN BILLIONS	YTD TOTAL RETURN	2010 RETURN
30	Claren Road Credit Master , John Eckerson, Sean Fahey, Brian Riano	Claren Road Asset Management, U.S.	Credit	4.2	7.3	4.6
31	Brevan Howard Asia Master , Kaspar Ernst	Brevan Howard Asset Management, U.K.	Macro	1.7	7.2	1.8
32	GSO Special Situations , Louis Salvatore, Jason New, Michael Whitman	GSO Capital Partners, U.S.	Credit	3.1	7.0	17.8
*	SAC Capital International , Steven Cohen	SAC Capital Advisors, U.S.	Long/short	14.0	7.0	14.3
34	AQR Absolute Return , Team managed	AQR Capital Management, U.S.	Multistrategy	1.3	6.8	16.9
35	Oceanic Hedge , Cato Brahde	Oceanic Investment Management, U.K.	Transport/Energy	1.5	6.7	−0.5
36	AQR Global Risk Premium , Team managed	AQR Capital Management, U.S.	Macro	5.0	6.5	29.4
37	Fore Multi Strategy , Matthew Li	Fore Research & Management, U.S.	Multistrategy	1.4	6.4	13.4
*	Millennium International , Israel Englander	Millennium International Management, U.S.	Multistrategy	7.8	6.4	13.2
39	Tarpon All Equities , Jose Carlos Magalhaes	TIG Holding, Brazil	Long/short	1.9	6.2	47.1
40	Brummer & Partners Nektar , Kent Janer and team	Nektar Asset Management, Sweden	Macro	3.2	6.1	16.1
41	Tewksbury Investment , Matthew Tewksbury	Stevens Capital Management, U.S.	Managed futures	3.4	5.9	10.5
42	Vantage Global Investment , Andrew Veglio di Castelletto	Vantage Investment Management, U.K.	Long/short	1.0	5.8	9.7
43	Brevan Howard Multi-Strategy Master , Alan Howard	Brevan Howard Asset Management, U.K.	Multistrategy	1.3	5.5	2.1
*	Pine River , Aaron Yeary	Pine River Capital Management, U.S.	Multistrategy	1.1	5.5	13.9
45	VR Global Offshore , Richard Deitz	VR Capital Group, Russia	Distressed	1.4	5.4	58.4
46	Viking Global Equities III , Andreas Halvorsen	Viking Global Investors, U.S.	Long/short	8.5	5.3	3.9
47	Exane Archimedes , Cesar Zeitouni, Gilles Lenoir	Exane Asset Management, France	Long/short	1.1	5.2	6.8
*	Prologue Feeder A , Graham Walsh, David Lofthouse	Prologue Capital, U.K.	Fixed-income	1.2	5.2	6.7
49	Capula Global Relative Value A\$, Yan Huo, Masao Asai	Capula Investment Management, U.K.	Fixed-income	6.7	5.0	9.6
50	Ortus Currency Program , Joe Zhou	Ortus Capital Management, Hong Kong	Macro	3.0	4.9	27.9
51	Halcyon Asset-Backed Strategy , Joseph Wolnick, James Coppola, Joe Godley	Halcyon Asset Management, U.S.	Asset-backed	1.7	4.7	25.3
52	BlueCrest Capital International , Michael Platt	BlueCrest Capital Management, U.K.	Macro	9.1	4.6	12.8
*	Goldman Sachs Investment Partners Offshore , Ranaan Agus, Kenneth Eberts	Goldman Sachs Asset Management, U.S.	Multistrategy	8.5	4.6	6.5
*	Graham Discretionary Portfolio 12V , Kenneth Tropin	Graham Capital Management, U.S.	Macro	1.5	4.6	14.2
55	Atlas Global Investments Unrestricted , Dmitry Balyasny	Balyasny Asset Management, U.S.	Multistrategy	1.3	4.4	13.4
*	Ionic Capital Master , Bart Baum, Dan Stone, Adam Radosti	Ionic Capital Management, U.S.	Volatility	1.4	4.4	−7.5
57	Elliott Associates , Paul Singer	Elliott Management, U.S.	Multistrategy	19.0	4.3	7.4
58	Ikos Futures USD , Elena Ambrosiadou	Ikos Asset Management, Cyprus	Managed futures	2.0	4.2	21.8
59	QVT , Daniel Gold	QVT Financial, U.S.	Multistrategy	4.0	4.0	12.0
*	Renaissance Institutional Futures , Robert Lourie	Renaissance Technologies, U.S.	Managed futures	3.4	4.0	22.8
61	BTG Pactual Global Emerging Markets and Macro , Simeon Schwartz	BTG Pactual Global Asset Management, U.S.	Macro	2.3	3.9	22.4
*	Golden Tree Credit Opportunities , Steven Tananbaum	GoldenTree Asset Management, U.S.	Credit	1.9	3.9	34.9
*	Hudson Bay , Sander Gerber	Hudson Bay Capital Management, U.S.	Multistrategy	1.1	3.9	9.0
*	Pine River Fixed Income , Steve Kuhn	Pine River Capital Management, U.S.	Mortgage backed	1.8	3.9	31.8
65	Comac Global Macro , Colm O'Shea	Comac Capital, U.K.	Macro	4.7	3.8	5.3

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	Fund, Manager(s)	Management Firm, Location	Strategy	ASSETS, IN BILLIONS	YTD TOTAL RETURN	2010 RETURN
66	Discovery Global Opportunity , Robert Citrone	Discovery Capital Management, U.S.	Emerging markets	5.2	3.7	16.9
*	Scopia PX International , Matthew Sirovich	Scopia Management, U.S.	Long/short	1.0	3.7	1.6
*	Wolverine Convertible Arbitrage Trading , Chris Gust	Wolverine Asset Management, U.S.	Convertible arbitrage	1.4	3.7	15.4
69	Trilogy Financial Partners , Jonathan Rosenstein	Trilogy Capital, U.S.	Credit	1.2	3.6	20.9
*	Winton Futures , David Winton Harding	Winton Capital Management, U.K.	Managed futures	26.1	3.6	14.5
71	Brigade Leveraged Capital Structures , Don Morgan	Brigade Capital Management, U.S.	Long/short	5.0	3.5	3.8
72	BlueMountain Credit Alternatives , Andrew Feldstein	BlueMountain Capital Management, U.S.	Credit	3.4	3.3	12.3
*	Pelagus Capital , Bruno Usai	Mako Investment Managers, U.K.	Fixed income	1.1	3.3	12.2
74	Brevan Howard Credit Catalysts , David Warren	DW Investment Management, U.S.	Credit	2.0	3.2	13.5
*	Silver Point Capital Offshore , Edward Mule	Silver Point Capital, U.S.	Event driven	4.3	3.2	19.4
76	Tudor BVI Global , Paul Tudor Jones	Tudor Investment, U.S.	Macro	7.9	2.9	7.4
77	Quantitative Investment Management Global Program , Jaffray Woodruff	Quantitative Investment Management, U.S.	Managed futures	3.9	2.8	−3.4
78	Gracie International Credit Opportunities , James Palmisciano	Gracie Capital, U.S.	Credit	1.8	2.7	4.3
79	Graham Discretionary Portfolio 6V , Kenneth Tropin	Graham Capital Management, U.S.	Macro	1.7	2.4	7.2
80	Golden Tree Master , Steven Tananbaum	Golden Tree Asset Management, U.S.	Credit	2.7	2.2	23.6
81	Tarpon HG , Jose Carlos Magalhaes	TIG Holding, Brazil	Long/short	1.5	2.1	40.3
82	Element Capital , Jeffrey Talpins	Element Capital Management, U.S.	Fixed income	3.0	2.0	27.6
83	Pimco Absolute Return IV , Bill Gross	Pacific Investment Management, U.S.	Fixed income	2.3	1.9	11.4
84	BlackRock Multi-Strategy , Grace Gu	BlackRock Alternative Investors, U.S.	Multistrategy	1.4	1.8	10.3
*	Greenlight Capital , David Einhorn	Greenlight Capital, U.S.	Long/short	7.8	1.8	15.9
86	Brummer & Partners Futuris , Arne Vaagen, Karl-Mikael Syding, Mattias Nilsson	Futuris Asset Management, Sweden	Long/short	1.3	1.7	7.8
*	Highbridge Statistical Opportunities A , Evan Dick, Alain Sunier, Jerome Benveniste, Peter Beebee	Highbridge Capital Management, U.S.	Market neutral	1.1	1.7	NA
*	Litespeed Partners A , Jamie Zimmerman	Litespeed Management, U.S.	Distressed	1.0	1.7	16.8
*	PSAM WorldArb Partners , Peter Schoenfeld	P. Schoenfeld Asset Management, U.S.	Event driven	1.0	1.7	8.0
90	CQS ABS Feeder Class B , Alistair Lumsden	CQS Investment Management, U.K.	Asset backed	1.9	1.6	19.2
*	Exane Templiers , Jean-Francois Roussel	Exane Asset Management, France	Long/short	1.1	1.6	2.3
*	Green , Luis Stuhlberger	Credit Suisse Hedging-Griffo, Brazil	Macro	1.5	1.6	7.8
*	Steadfast International E , Robert S. Pitts Jr.	Steadfast Capital Management, U.S.	Long/short	2.2	1.6	7.0
94	Seligman Tech Spectrum , Paul Wick	Columbia Investment Advisers, U.S.	Long/short tech	1.8	1.4	8.4
95	Green T G2 Fund , Darryl Green, Geoff Sherry	Lucidus Capital Partners, U.K.	Credit	1.0	1.2	5.9
96	Davidson Kempner International Class C , Thomas L. Kempner Jr.	Davidson Kempner Capital, U.S.	Multistrategy	6.6	1.1	9.3
97	Balestra Capital Partners , Jim Melcher	Balestra Capital, U.S.	Macro	1.8	0.9	−3.2
*	Oak Hill Credit Alpha Offshore , Robert Okun, Scott Krase, Glenn August	Oak Hill Advisors, U.S.	Credit	1.1	0.9	15.5
*	Third Point Offshore , Daniel Loeb	Third Point, U.S.	Event driven	4.3	0.9	33.8
100	Watershed Capital Partners , Meridee Moore	Watershed Asset Management, U.S.	Event driven	1.4	0.8	10.7

Returns are for the 10 months ended on Oct. 31. Includes funds with more than \$1 billion in assets. Sources: Bloomberg, hedge-fund databases, hedge-fund firms, investors

person says. Robertson prized on-site research and once sent a commodity analyst to Brazil to estimate the number of coffee bushes under cultivation in the eastern state of Bahia before betting that the commodity’s price would decline.

Most of the Tiger seeds are housed in Tiger Management’s offices on the 47th and 48th floors of 101 Park Ave. in midtown Manhattan. Robertson is the landlord, charging each fund rent. He also takes an ownership stake, which entitles him to a cut of the hefty fees that hedge-fund managers charge investors.

Managers of the seed funds meet periodically to discuss ideas, says a person familiar with the meetings. Robertson also encourages managers to share their wealth through the Tiger Foundation, which gives money to organizations helping needy families in New York.

In topping the BLOOMBERG MARKETS ranking, Coleman, 36, beat such veterans as Peter Brown and Robert Mercer, two former International Business Machines Corp. language recognition specialists who are co-chief executive officers of Renaissance Technologies LLC. The firm’s \$7 billion Renaissance Institutional Equities Fund returned 33.1 percent for the 10 months. The East Setauket, New York-based firm is

WORLD’S LARGEST HEDGE-FUND FIRMS

Firm		ASSETS UNDER MANAGEMENT, IN BILLIONS		
1	Bridgewater Associates (Westport, Connecticut)	\$77.6	11 Baupost Group (Boston)	23.0
2	Man Group (London)	64.5	* Cerberus Capital Management (New York)	23.0
3	JPMorgan Asset Management (New York)	46.6	* D.E. Shaw & Co. (New York)	23.0
4	Brevan Howard Asset Management (London)	33.0	14 Angelo Gordon & Co. (New York)	22.0
5	Och-Ziff Capital Management Group (New York)	28.5	15 AQR Capital Management (Greenwich, Connecticut)	20.5
6	Paulson & Co. (New York)	28.0	16 Farallon Capital Management (San Francisco)	20.0
7	BlackRock Advisors (New York)	27.7	17 Goldman Sachs Asset Management (New York)	19.5
*	Winton Capital Management (London)	27.0	18 Elliott Management (New York)	19.0
9	Highbridge Capital Management (New York)	26.1	19 King Street Capital Management (New York)	18.5
10	BlueCrest Capital Management (London)	25.0	20 Canyon Partners (Los Angeles)	18.1

Figures are as of Oct. 31 or are based on the latest available numbers.
Sources: Bloomberg, hedge-fund databases, investors

famed for its quantitative Medallion Fund, now run almost exclusively for employees, which returned more than 35 percent annualized over a 20-year span. Renaissance founder Jim Simons, who is a former code breaker and head of Stony Brook University’s math department, remains chairman of the firm. In December, the school announced that Simons, together with his

wife and the Simons Foundation, had given \$150 million to the school, the largest donation in the history of the State University of New York, of which Stony Brook is a part.

Bridgewater Associates’ Ray Dalio had the No. 3 fund, Pure Alpha II, which ran up a 23.5 percent gain. Dalio has three funds among the top 12, and his \$53 billion Pure Alpha II fund is

also the most profitable, earning \$2.48 billion for its managers in 2011 through Oct. 31, according to Bloomberg data.

Ken Griffin’s Citadel fund, with a 17.7 percent return, was the second most profitable, at \$2.1 billion.

Last year’s No. 1 fund, Don Brownstein’s Structured Servicing Holdings LP, rose 13.5 percent and is ranked No. 17, after gaining 51 percent in 2010. His firm, Structured Portfolio Management LLC, had a second fund in the large-fund list, SPM Core, at No. 13, with a 15.7 percent return, plus two funds in the top 20 of the BLOOMBERG MARKETS ranking of the top 50 mid-size funds.

Coleman, Brownstein and Dalio earned their double-digit returns during a generally abysmal year for the hedge-fund industry. Just 21 of the top 100 funds scored returns of more than 10 percent in 2011. Hedge-fund managers, among the highest-paid workers on Wall Street, saw their funds fall an average of 2.8 percent through Oct. 31, according to Bloomberg data. A Bloomberg index of U.S. Treasury notes and bonds returned 8.5 percent, besting all but the top 26 hedge funds in the BLOOMBERG MARKETS ranking. Even the anemic Standard & Poor’s 500 Index, which returned 1.3 percent, including dividends, beat the average hedge fund.

Some big names flamed out in 2011. John Paulson, who made billions betting against mortgage securities in 2007, lost 44 percent through October in his flagship Advantage Plus fund. Other titans that tripped: James Dinan’s York Investment Ltd., down 7 percent; Leon Cooperman’s Omega Overseas Partners, off 3 percent; and London-based William de Winton’s Lansdowne Global Financials fund, which plunged 17 percent.

The results show that the golden age for hedge funds is over, says Eric Petroff, chief strategist at Wurts & Associates, a Seattle-based company that advises pension funds and endowments on their investments. The funds



⌘ After poor returns in 2008 and 2009, Coleman refocused on his specialty: technology.

the worst. Such a trade protects against wild swings in the overall market, defines the *hedge* in *hedge fund* and is what the industry uses to justify the standard 1 to 2 percent of assets and 20 percent cut of any profits that go to managers.

Coleman’s Tiger Global bucked the gloomy trend partly by behaving as much like a venture capital fund as a hedge fund. Coleman uses a group of private-equity funds to buy into private companies, according to filings with the U.S. Securities and Exchange Commission. The hedge fund gets some of the investments.

Coleman declined to be interviewed for this story, says Carolyn Sargent, a Tiger spokeswoman.

As of December, Tiger Global owned 4.8 million shares—both Class A and Class B—of LinkedIn Corp., the professional-networking site that sold shares in May. Tiger got at least 930,000 of those shares for \$21.50 in mid-2010, a year before the company went public, according to a person familiar with the purchase. Shares of Mountain View, California-based LinkedIn traded at \$69.95 on Dec. 5.

Coleman also bought pre-IPO shares of Yandex NV, Russia’s most popular search engine, which did a \$1.3 billion IPO in May. Tiger Global owned 54.1 million of its shares, or 38 percent of the Netherlands-based company, as of

EQUITIES ARE MOVING IN LOCK STEP, PETROFF SAYS, MAKING IT HARD TO PRODUCE ALPHA BY BUYING ONE STOCK AND BETTING AGAINST ANOTHER.

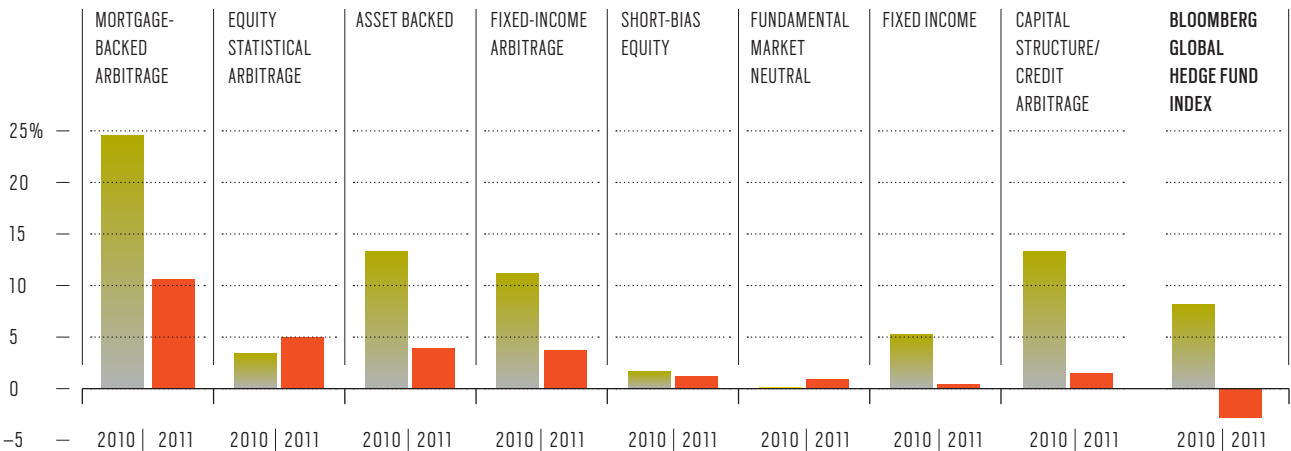
billion, to avoid hedge funds or to stick to funds that invest in debt.

Petroff says equities are moving in maddening lock step. Good and bad shares rise and fall together, making it hard to produce alpha, the Holy Grail return that comes from picking the best oil stock, say, and betting against

Sept. 30, a stake it acquired before the IPO. Mail.ru Group Ltd., another Russian Web portal, went public in London in November 2010, raising \$1 billion. Tiger owned 10.8 million shares before the sale and unloaded about half of them in the IPO.

Like Robertson, Coleman is skilled

BEST-PERFORMING STRATEGIES



Returns for 2011 are as of Oct. 31. Source: Bloomberg

TOP 50 MID-SIZE HEDGE FUNDS

Fund, Manager(s)	Management Firm, Location	Strategy	ASSETS, IN MILLIONS	YTD TOTAL RETURN	2010 RETURN
1 Red Kite Compass , Michael Farmer, David Lilley	RK Capital Management, U.K.	Commodities	400.0	47.0%	NA
2 Quantitative Tactical Aggressive , Jaffray Woodruff	Quantitative Investment Management, U.S.	Long/short	564.0	32.1	15.2%
3 Zais Opportunity , David A. Deutsch	Zais Group, U.S.	Asset backed	358.2	27.9	110.7
4 MW Global Opportunities , Fehim Can Sever	Marshall Wace, U.K.	Long/short	474.0	25.0	8.0
5 Brummer & Partners Manticore , David Meyer, Seth Wunder	Contour Asset Management, U.S.	Long/short	728.0	23.0	−3.9
6 Friedberg Global-Macro Hedge , Albert Friedberg	FCMI Financial Services, Canada	Multistrategy	828.5	20.8	11.4
7 BlackRock 32 Capital Master , Team managed	BlackRock Alternative Investors, U.S.	Market neutral	403.0	20.1	20.4
8 Saba Capital Tail Risk , Boaz Weinstein	Saba Capital Management, U.S.	Tail risk	900.0	20.0	NA
9 Platinum Partners Value Arbitrage Master , Uri Landesman, Mark Nordlicht	Platinum Management, U.S.	Multistrategy	695.0	19.8	19.3
10 Bohong Pipe Enhanced Index , Liu Hong	Bohong Tianjin Fund Management, China	Long/short	307.7	19.4	NA
11 SPM Directional Mortgage Prepay , Don Brownstein, William Mok	Structured Portfolio Management, U.S.	Fixed income	583.0	16.9	15.8
12 Beam Multi-Strategy Program , Jose Mario Quintana	Beam Bayesian Efficient Asset Management, U.S.	Managed futures	254.0	16.3	17.2
13 Metacapital Mortgage Opportunities , Deepak Narula	Metacapital Management, U.S.	Mortgage backed	773.4	16.1	52.6
* Sasco Energy , Todd Esse, Thomas Purdy	Sasco Energy Partners, U.S.	Technical energy	409.0	16.1	8.3
15 Newbrook Capital Partners , Robert Boucai	Newbrook Capital Advisors, U.S.	Long/short	420.0	15.8	9.7
16 SPM Parmenides , Don Brownstein, William Mok	Structured Portfolio Management, U.S.	Fixed income	330.0	15.4	29.1
17 AAM Absolute Return—A , Harald James Otterhaug	Aker Asset Management, Norway	Long/short	591.0	15.1	0.0
* Barnegat Investments , Bob Treue	Barnegat Fund Management, U.S.	Fixed income	517.9	15.1	15.8
19 Danske Invest Hedge Fixed Income Strategies , Michael Petry	Danske Hedge, Denmark	Fixed income	624.0	14.2	14.6
20 Claren Road Credit Opportunity Master , John Eckerson, Sean Fahey, Brian Riano	Claren Road Asset Management, U.S.	Credit	485.0	13.4	8.6
21 ACI Multi-Strategy Market Neutral , Peter Algert	Algert Coldiron Investors, U.S.	Equity market neutral	475.0	13.3	6.7
* Ennismore European Smaller Companies , Geoff Oldfield	Ennismore Fund Management, U.K.	Long/short	302.0	13.3	23.1
* Permal Fixed Income Special Opportunities , Hari Hariharan	NWI Management, U.S.	Emerging markets	427.0	13.3	9.8
24 GSA Capital International , Jonathan Hiscock, David Khabie-Zeitoune	GSA Capital Partners, U.K.	Multistrategy	985.0	13.0	12.1
* JPMorgan Portfolio Strategies—Europe Dynamic Long-Short , Jon Ingram, John Baker, Anis Lahlou-Abid	JPMorgan Asset Management, U.K.	Long/short	376.1	13.0	28.9

at finding both good stocks to buy and dogs to bet against, according to investors. In 2011, Coleman made much of his profit shorting stocks that fell, investors say.

Coleman’s fund is one of three Tiger cubs that made the top 25 in the BLOOMBERG MARKETS ranking. Philippe Laffont’s New York-based Coatue Management LLC ranked No. 10, with a return of 16.9 percent.

Laffont, who worked for Robertson at Tiger before starting Coatue in 1999, also invests in technology. Apple Inc., Google Inc. and mobile-phone-chip maker Qualcomm Inc. were among his largest holdings as of Sept. 30.

New York-based Tiger Asia Management LLC, managed by Bill Hwang, ranked No. 24, with a return of 8.6 percent. Hwang, like Coleman, worked for Robertson and then got seed money

from him. In 2011, Hwang bet on a decline in Chinese shares, according to people familiar with his portfolio. It was a good call. The Shanghai Stock Exchange Composite Index was down 12 percent in the first 10 months of 2011, after a loss of 14 percent in 2010.

The Tiger diaspora is large and growing. John Thaler, founder of JAT Capital Management LP, worked with Tiger Management alumnus Chris

TOP 50 MID-SIZE HEDGE FUNDS

Fund, Manager(s)	Management Firm, Location	Strategy	ASSETS, IN MILLIONS	YTD TOTAL RETURN	2010 RETURN
26 Pivot Global Value , Carl George, Par Mellstrom	Pivot Capital Management, U.K.	Macro	748.0	12.7	6.8
27 Eclectica , Hugh Hendry	Eclectica Asset Management, U.K.	Macro	244.0	11.7	2.7
28 Abaco Financials , Inigo Lecubarri, Louis Rivera-Camino	PCE Investors, U.K.	Equity market neutral	309.8	11.5	2.3
29 CCP Quantitative , Ewan Kirk	Cantab Capital, U.K.	Macro	396.0	11.0	2.5
30 Majedie-Tortoise , Matthew Smith	Majedie Asset Management, U.K.	Long/short	348.8	10.8	−0.3
31 Vollero Beach Capital , Robert Vollero, Gentry Beach	Vollero Beach Capital Partners, U.S.	Commodities/ equities	560.0	10.6	3.5
32 Cassiopeia , Michel Dominice, Jean-Evrard Dominice	Dominice & Co. Asset Management, Switzerland	Equity market neutral	497.0	10.5	12.5
* Criterion Capital Partners , Christopher Lord	Criterion Capital Management, U.S.	Long/short	700.0	10.5	13.5
* ZLP Master Opportunity , Stuart Zimmer	Zimmer Lucas Capital, U.S.	Long/short	600.0	10.5	3.0
35 Harvest Small Cap Partners Strategy , Jeff Osher	Harvest Capital Strategies, U.S.	Long/short	318.3	10.4	−1.8
36 GS Gamma Investments , Jay Fiacco	GS Gamma Advisors, U.S.	Mortgage-backed arbitrage	736.0	10.3	15.7
37 Criterion Horizons Offshore , Christopher Lord	Criterion Capital Management, U.S.	Long/short	550.0	10.2	15.9
38 Amazon Market Neutral Class A , Philip King	Regal Fund Management, Australia	Market neutral	414.0	9.5	21.8
* LGIM Global Macro Fund , David North, Ben Gill	Legal & General Investment Management, U.K.	Macro	258.9	9.5	9.1
40 Macquarie-Winton Global Alpha , David Winton Harding	Winton Capital Management, U.K.	Managed futures	627.0	9.4	16.0
* Sophrosyne Technology Partners , Ben Taylor	Sophrosyne Capital, U.S.	Equity market neutral	300.0	9.4	6.0
42 Saemor Europe Alpha , Sven Bakker, Sven Bouman	Saemor Capital, Netherlands	Equity market neutral	682.9	9.3	5.6
43 BlueMountain Equity Alternatives , Alan Gerstein	BlueMountain Capital Management, U.S.	Market neutral	310.0	9.1	3.0
* Finisterre Sovereign Debt , Paul Crean, Xavier Corin-Mick	Finisterre Capital, U.K.	Emerging market	464.9	9.1	12.1
45 Kayne Anderson MLP , J.C. Frey	Kayne Anderson Capital Advisors, U.S.	Sector	934.0	8.3	28.3
* Concordia Municipal Opportunities III , Christopher Dillon	Concordia Advisors, U.S.	Fixed-income arbitrage	325.0	8.3	−3.6
47 Copia Market Neutral , Tim Flannery	Copia Capital, U.S.	Market neutral	310.0	8.2	4.8
48 AQR Global Stock Selection 1 , Team managed	AQR Capital Management, U.S.	Market neutral	300.0	8.0	7.5
* Nordic Absolute Return , Bo Lehandler, Fredrik Lekman	Alsback Forvaltning, Sweden	Long/short	266.8	8.0	8.9
50 Rimrock High Income Plus , Dave Edington	Rimrock Capital Management, U.S.	Fixed-income arbitrage	670.0	7.9	20.0

Returns are for the 10 months ended on Oct. 31. Includes funds with \$250 million to \$1 billion in assets. Sources: Bloomberg, hedge-fund databases, hedge-fund firms, investors

Shumway for five years, learning Robertson’s methods secondhand. JAT Capital Offshore Ltd. was No. 3 on the BLOOMBERG MARKETS list at the end of September, with a 30-plus percent return, when a rally in U.S. stocks lifted shares that Thaler had expected to fall, a person familiar with the fund says. JAT ended up with a 12.7 percent gain and a No. 19 ranking.

Coleman & Co. are restoring the

luster to the Tiger name. Robertson’s funds notched average annual returns of 32 percent from 1980 to Aug. 31, 1998, and were then tarnished when he made a series of bad currency bets. He lost \$600 million when Russia defaulted on its debt and devalued the ruble. Tiger Management funds overall hemorrhaged about \$2 billion on Oct. 7, 1998, when the dollar suffered its biggest one-day loss against the yen since

1973. Unsentimental Tiger investors asked for their money back and, coupled with losses, cut Robertson’s assets under management to \$6 billion from \$22 billion in just 18 months.

Robertson returned all investor money in 2000 and went south to build and operate golf courses in New Zealand, where he spends six months of every year.

Robertson, a canny stock picker, was

more aggressive than most in shorting stocks he thought were doomed to fall, former investors say. In a short sale, a trader borrows shares and sells them, hoping to buy them back at a lower price, return the shares to the lender and pocket the difference.

“Julian always doubled up,” says Mark Yusko, CEO of Morgan Creek Capital Management LLC in Chapel Hill, North Carolina, which invested in Tiger Management and is an investor in Tiger Global. “When a short was going down, he pressed it, and when a long was going up, he pressed it.”

Coleman is pressing his bet on private technology companies. Last year, he asked investors for permission to lift them to 15 percent of the fund from 10 percent, one investor says.

Yuri Milner, the Russian entrepreneur who started Mail.ru and bought a \$200 million stake in Facebook in May 2009, just before Tiger Global, says Coleman is “a visionary guy. I have learned a lot from Tiger.”

One lesson: Go global. Many of Tiger’s private investments are in Brazil, China and India, and many of those are similar to what has worked in the U.S.:

social-networking, shopping and Groupon Inc.–like deal sites. As of mid-December, Tiger Global owned stakes in Peixe Urbano, a Brazilian deal site similar to Groupon; MakeMyTrip Ltd., an Indian online travel site; and Vostu, a Brazilian video-game portal.

So far, Coleman has taken his biggest hits in the broader market. His worst years were 2008, when he lost 26 percent, and 2009. “Chase got whacked in the head with a two-by-four in 2009,” Yusko says. Coleman was short financial stocks and mortgage companies because his research told him they were money losers, Yusko says. Then the government banned short selling in many stocks and bailed out the banks. Tiger Global ended the year up just 1 percent.

That same year, by contrast, David Tepper’s Appaloosa Investment LP I gained 117 percent through September buying bank stocks and bonds and was No. 1 in the BLOOMBERG MARKETS large-fund ranking.

“There were folks in 2009 who said Chase is done, he’s gotten too big and he’s lost his nerve,” Yusko says.

Yusko visited Coleman in Tiger Global’s offices, and Coleman told him he had decided to refocus his investing where he had an edge: in technology. He would lighten up on finance, an industry susceptible to government meddling. “I admire him for that decision,” Yusko says.

Coleman supports Republican political candidates who take a dim view of regulation. He gave \$30,800 to the National Republican Senatorial Committee on May 24, according to the Washington-based Center for Responsive Politics. He also gave at least \$5,000 to Republican presidential candidate Mitt Romney.

Coleman’s roots are more Nelson Rockefeller than Sarah Palin. Coleman’s paternal grandmother, born Louise Stuyvesant Wainwright and known as Mimi, was a trustee of Hofstra University in Hempstead, New York, where she helped establish a law school, according to her 1996 *New York*

Times obituary. She was also chairwoman of Planned Parenthood of New York City.

Coleman’s father, Charles Payson Coleman Jr., is a partner at corporate law firm Pillsbury Winthrop Shaw Pittman LLP in New York, where his main clients are airlines. Chase’s mother, Kim, owns an interior design firm.

In 2005, Coleman married Stephanie Ercklentz, one of 10 scions featured in the 2003 documentary *Born Rich*, made by Johnson & Johnson heir Jamie Johnson, who interviewed his friends for the film. Stephanie’s grandfather, Enno Ercklentz, was a German banker who became a chemical magnate after moving to the U.S. in 1926, according to his 1987 *New York Times* obituary.

In the film, Stephanie said she had never dated outside her plutocratic social circle. “I would, but he’d have to understand the fact that I love going shopping,” she says on camera. “Some guy might get mad at me for being stupid and spending all this money for, like, a Gucci purse.”

The couple was married in the Church of Bethesda-by-the-Sea in Palm Beach, Florida. Photos from the ceremony and reception were splashed on the New York Social Diary, a website that chronicles the doings of the 1 percent.

In 2008, the Colemans paid \$36.5 million for two apartments on Fifth Avenue in Manhattan. The seller was Veronica Hearst, widow of Randolph Hearst, son

BIGGEST U.S. STOCK HOLDINGS BY HEDGE FUNDS

STOCK	AMOUNT HELD, IN BILLIONS	2011 TOTAL RETURN
1 El Paso Corp.	\$3.5	82.1%
2 Motorola Solutions	\$3.2	26.3
* Sears Holdings	\$3.2	–18.2
4 Motorola Mobility	\$3.1	34.0
5 AutoZone	\$2.9	20.5
6 News Corp.	\$2.7	21.0
7 AutoNation	\$2.5	28.0
8 Accenture	\$2.3	21.8
9 Anadarko Petroleum	\$2.2	7.1
* Williams Cos.	\$2.2	33.0

Ranking is derived from public filings of the 20 top holders of S&P 500 companies as of Sept. 30. Values of holdings and stock returns are as of Nov. 30. Source: Bloomberg

of newspaper titan William Randolph Hearst, property records show.

Coleman started working at Tiger after graduating from Williams. When Robertson closed his funds, Coleman was among the first managers whom Robertson seeded with cash, along with Tiger Asia and Tiger Consumer, a person familiar with the matter says.

Coleman called his fund company Tiger Technology Management. He changed the name to Tiger Global in 2005 before making his ill-fated plays on nontechnology companies.

Tech entrepreneurs praise Coleman for his willingness to make quick decisions about large investments. Ilja Laurs, founder of San Mateo, California–based GetJar Inc., a site that distributes applications for mobile phones, says Tiger studied his company for less than a month before putting up most of a \$25 million funding round in February. “That was a total surprise because I didn’t think any investor was capable of moving that fast,” Laurs says.

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Ⓢ Russian investor **Yuri Milner** says Coleman is ‘a visionary guy. I have learned a lot from Tiger.’

Profits are based on returns for the 10 months ended on Oct. 31. Sources: Bloomberg, hedge-fund databases, hedge-fund firms, investors



Tiger Global was confident in GetJar partly because Accel Partners, an early investor in Facebook, had already bought in, Laurs says. Tiger has followed or invested alongside Accel in at least six companies.

Kevin Hartz, co-founder of Eventbrite Inc., a San Francisco startup that lets promoters of concerts and other events publicize shows, register attendees and sell tickets online, says Coleman and his crew are no less skilled at finding promising startups than the venture capitalists on Sand Hill Road in Menlo Park, California. Tiger Global in May stumped up the biggest portion of a \$50 million investment in Eventbrite. "During the great downturn and dot-com crash, they were aggressively following a thesis that the consumer Internet was going to grow and that an enormous part of that would happen outside the U.S.," Hartz says. "They were absolutely right."

Investing in startups is risky because many have untested business models and well-funded rivals, says Peter Sims, a former venture capitalist and author of *Little Bets: How Breakthrough Ideas Emerge From Small Discoveries* (Free Press, 2011). "Tiger is aggressive," Sims says. "This is a cyclical market, and they could get burned easily."

New York-listed Yandex traded at \$21.48 on Dec. 5, down 14 percent from



⌘ **Don Brownstein**, who had the No. 1 fund in 2010, has two in the top 20 for 2011.

its May IPO price of \$25. Mail.ru fell 14 percent in the first 11 months of 2011, dropping in November after a ban on divesting the shares expired, freeing Tiger and other pre-IPO investors to sell.

Tiger Global is also the biggest holder of Beijing-based E-Commerce China Dangdang Inc., China's largest online bookseller, with 4.4 million shares as of Sept. 30, according to SEC filings. Shares of New York-listed Dangdang traded at \$4.81 on Dec. 5, down 70 percent from the \$16 at which it first sold shares in December 2010. In August, the company

said it lost 6 cents a share in the second quarter of 2011, triple the 2 cent loss forecast by analysts.

Declines aside, Coleman is a force in the VC community, says Brian Sharples, CEO of HomeAway Inc., which owns VRBO.com and other sites that list vacation homes for rent. Tiger invested \$50 million in HomeAway before its June IPO and then bought shares afterward, Sharples says.

Coleman's investment gave Sharples the opportunity to attend the annual Tiger Global Internet Conference, where the hedge fund's corporate flock gathers once a year. In 2011, it was at the Mandarin Oriental hotel in New York in October. "I'll bet more than 50 percent of the people there were from out of the country," Sharples says. "Tiger Global's network is so powerful now that just being able to go to that thing is a cool advantage of being part of their portfolio."

A member of the old boys network by birth, Chase Coleman has forged a new one from the band of Internet startups that have earned millions for his investors.

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HOW WE CRUNCHED THE NUMBERS

OUR RANKINGS OF hedge-fund managers are based on data compiled by Bloomberg specialist Anibal Arrascue and information supplied by hedge-fund research firms, hedge funds and investors. This year, we have three lists of top performers: 100 funds with assets greater than \$1 billion; 50 funds with assets of \$250 million to \$1 billion; and 10 global macro funds with at least

\$100 million in assets. Assets and returns were for the 10 months ended on Oct. 31, 2011; in a few cases, we used the latest figures available prior to that date.

The returns we obtained were net of fees. We calculated profits for each fund by dividing the net figure by 100 percent minus the sum of the management and incentive fees. For funds that didn't report fees, we

used the average of funds in our universe: a 1.5 percent management fee and a 20 percent incentive fee.

Using gross returns, we were able to reconstruct approximately what the assets were at the start of the year. (Since we didn't have inflows or outflows, the asset numbers didn't take asset flows into account.) We subtracted original assets from current assets and multiplied the result by each fund's performance fee to derive the profit. Management fees aren't included; we assumed they were used for the day-to-day operations of the fund.

Hedge funds keep a low profile.

We couldn't obtain returns from several of the biggest hedge-fund firms by assets. For a handful of others, we had returns on only one or two funds. Onshore and offshore assets and returns were combined for a number of funds, while figures for others were only for the larger class.

The numbers were difficult to verify. Unless the information came from Bloomberg or the hedge-fund firm itself, we tried to verify it with other sources, including investors and other fund databases.

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