

Quality In Everything We Do

PETER MULLER MICHAEL PASCUTTI GUILLAUME RAMBOURG GERARD SATUR JENS-PETER STEIN MORGAN SZE G TAYLOR GALIA VELIMUKHAMETOVA JAIME VIESER BOAZ WEINSTEIN MICHAEL WEINSTOCK DANNY YONG JOE ZH ALI AKAY DANIELE BENATOFF JOHN BURBANK MARK CARHART TONY CHEDRAOUI NEIL CHRISS CHASE COLEMA STEPHEN CZECH DEREK DUNN JOHN ECKERSON JEEFREY ENSLIN JOIC FERRY BRIAN FRANK CARL STEPHEN GEOR

Tomorrow's Titans 2012

Introduction

Some managers have also fallen by the wayside due to lacklustre numbers.

Sourcing our 2012 names

Aside from our own research, buy side and sell side alike contributed nominations to the survey. The prime brokerage capital introduction networks are naturally a strong source of market intelligence. So too are some funds of funds, although increasingly institutional allocators are dealing direct, making it imperative for us to talk to pension funds, insurance companies, family offices, endowments and foundations.

Investment banks supply a number of the nominations, accelerated by new regulations in the US and in Europe that are hastening the banks' withdrawal from proprietary trading activities. If the Volcker rule, embodied in the Dodd-Frank legislation, is critical in the United States, then it may be that higher capital requirements ushered in by Basel III will impact in Europe. The GSPS (Goldman Sachs Principal Strategies) group seems to be a perennial source of new managers, while it lasts!

As banks retreat from trading activities the seeding community are unveiling a growing number of new fund launches. This nucleus of activity is widely dispersed. Big names such as Blackstone and Larch Lane in the United States are active, whilst giant US pension funds such as CALPERS have delegated the task to funds of funds such as 47 Degrees of Zurich. or Rock Creek of Washington DC. In Europe, Sweden's Brummer and Partners has written some of the largest tickets, with local bank SEB also growing its influence. London's FRM Capital Advisers has also been a serial seeder that has secured names both in this survey and in our 2010 survey. Meanwhile Amsterdam based IMQubator and Paris based New Alpha continue to seed a steady stream of promising new managers. Some pension funds, such as the UK's Universities Superannuation Scheme, have expressed a possible interest in seed deals although pension fund seed deals have not made any real appearance yet. Over in Asia, Eliza Lau's Synergy group is perceived as being at the forefront of early stage hedge fund investments in that dynamic region.

Of course the very biggest seed tickets have always come from, and perhaps will always

come from, the large hedge funds. Louis Bacon's Moore Capital; David Tepper's Appaloosa; Chris Shumway's eponymous one; Paul Tudor Jones' Tudor Investments and Donald Sussman's Paloma Partners are all adept at identifying star hedge fund managers, and giving them a helping hand.

JERNST & YOUNG Quality In Everything We Do

Ernst & Young, a leading global organization of service providers for start-ups and established hedge funds for over 25 years is proud to sponsor this report for the second year. We congratulate the talented industry leaders chosen by The Hedge Fund Journal as Tomorrow's Titans. In today's challenging economic and financial environment, it is all-the-more important to recognize some of the gifted hedge fund managers who are helping to shape the industry. That these managers have found so much success in these challenging times is a testament to their aptitude and professionalism.

For over two decades, Ernst & Young has helped many hedge fund firms grow from start-ups to become some of the leading global organizations. We are proud that we currently audit approximately 40% of the top 100 Global Billion Dollar Club hedge funds and provide tax services to about half of them. We audit more than 50% of the top 19 European funds and top 25 Asian funds by assets.

We are especially pleased to see The Hedge Fund Journal highlight the role that some of the funds managed by Tomorrow's Titans are playing in the so-called "real economy." At Ernst & Young, we help enable fund managers to take their rightful place as not only leaders in the hedge fund industry, but also as fully fledged participants in the global capital markets. Today we are particularly focused on providing practical advice to funds as they mature and "institutionalize" their operations so that they are ready to participate in the "real economy" as key financial intermediaries. We wish them much success and look forward to continuing to collaborate closely with them and their colleagues for many years to come.

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At the same time, many new funds emanate from the giants, without the financial blessing of their erstwhile employers. Steve Cohen's SAC, for instance, continues to spawn more than its fair share of new hedge funds, but is not publicly disclosed as having invested in them.

The nominations were dominated by classic or traditional hedge fund strategies: macro, event driven, credit and long short equity. "Alternatives to alternatives" may be starting to make its presence felt, at least in the form of two direct lending managers that made it into the final list. Their success is likely a symptom of the banks stashing cash at central banks and shying away from making real loans to the real economy. This is clearly an area where hedge funds are filling a crucial gap in the wake of the hangover after the credit crisis.

Reflecting the geographic split of hedge fund assets, it is predictable that New York and London dominate the office locations. Equally within Europe it is possible to discern something of a growing trend towards more tax friendly locations, with two managers in this survey now located in the exquisite enclave of Monaco, wedged between France and Italy. Asia has raised its game to the tune of one or two extra names, simply because the Asia Pacific region now numbers an expanding tally of multi-billion dollar managers. Notably some individuals who were global heads of core functions at investment banks have chosen to locate their new funds in Asia, with Hong Kong and Singapore so far the financial centres of choice.

Manager locations

At the final count the geographic distribution of the 40 names reveals 20 in the US, 14 in Europe and 6 in Asia including 1 in Australia. The 40 have been grouped by region, but are arranged alphabetically within each region.

Performance bias

Performance track records from current or former employers, from funds or prop desks, do feed into the selection process. But there is no hard and fast formula, not least since the vagaries of translating proprietary trading records into hypothetical hedge fund records cannot easily be codified into any formula. Touch wood, nobody's assets have evaporated since the survey was published.

The hedge fund industry is a constantly evolving pool of talent with thousands of funds employing tens of thousands of investment professionals. We cannot conceive that our nominations could ever come close to being comprehensive, let alone that our final choices could leave any gem undiscovered. The search for new sources of diversification and talent is never ending, and we look forward to hearing about managers we have never heard of in future surveys.

In conclusion, we wish to express sincere gratitude to Ernst and Young for sponsoring the survey. **THFJ**



John H. Burbank III

Founder, Managing Member and Chief Investment Officer, Passport Capital, San Francisco

ohn Burbank is an independent thinker who takes bold, big picture views. In 2006 he went heavily short subprime debt via credit default swaps and reaped big rewards for investors. In 2012 he steered his portfolio to be net short developed market equities, according to a Bloomberg interview. Saudi Arabia continues to be his favourite emerging market on the long side. The firm offers investors a menu of six strategies. The Global Strategy is the flagship strategy that invests long and short in a range of sectors including Agriculture, Basic Materials, Consumer, Energy, and Middle East & North Africa. The Long Short Strategy focuses on the same sectors, but is restricted only to liquid securities. The Special Opportunities strategy focuses on the same sectors but in a more concentrated manner. The Mortgage Backed Securities strategy invests in a variety of residential mortgage securities. The Basic Materials strategy invests in public and private materials companies. The Energy strategy emphasises Oil Services, Exploration and Production, Renewable Energy and Shipping sectors. Burbank got his MBA from Stanford and his Bachelors in English Literature from Duke University.



Mark Carhart

Chief Investment Officer, Kepos Capital, New York

ark Carhart once had joint responsibility for over US\$200bn as co-chief investment officer of Goldman Sachs Asset Management's Quantitative Investment Strategies (QIS) unit and co-portfolio manager of the Global Alpha fund. He struck out with several long-time Goldman partners in November 2010 with Kepos, a name that means "garden" in Greek and refers to a school of philosophy that was purposely located outside of the Athens mainstream and is credited with producing the scientific method. The fund made a strong start delivering net returns of 13.8% in

2011, a year when many quantitative strategies struggled. Carhart has been a senior fellow at the Wharton School of Finance, has been widely published in academic journals, and is the father of the four factor alpha model. The 30 strong team seeks to leverage homegrown research models and a bespoke technology platform. Carhart was awarded a PhD from the University of Chicago Booth business school, having done his bachelors at Yale.



Neil Chriss

Founder and CEO, Hutchin Hill, New York

utchin Hill started out with US\$300m from Renaissance founder Jim Simons' Meritage fund of funds, and after opening to outside investors it has grown assets to US\$1.2bn. This has helped it with a number of prominent recent hires. Omar Saeed joined from Eton Park to manage macro and derivatives at Hutchin Hill, while former head of Royal Bank of Canada proprietary trading Jim Sapiro, and Mark Meenan, former co-head of SwissRe's North American Credit are also coming on board. Hutchin Hill founder Neil Chriss is also an eminent academic, having held posts at the

University of Toronto and at Harvard University, and published books including Black Scholes and Beyond. Chriss's investing career began at Morgan Stanley, moved onto Goldman Sachs Asset Management, founded iCor Brokerage, and most recently Steve Cohen's SAC, where he built out and ran the quantitative trading business. Hutchin Hill's diversified, non-directional multi-strategy approach has delivered consistent performance, making 13% in 2008, 17% in 2009 and 7% in 2010. Chriss received his Ph.D. and his BS in Mathematics from the University of Chicago.



Chase Coleman

Founder, Tiger Global LP, New York

harles Coleman is the Tiger Cub who also named his own fund Tiger, now containing US\$6.8bn of assets. Julian Robertson, the founder of the big "father" Tiger, had known Chase since childhood. Chase's Tiger Global put up an extraordinary 45% in 2011, in part due to owning pre-IPO private equity, making it by some accounts one of the best performing hedge funds of 2011. This strong performance was thanks in some measure to private equity stakes in Facebook and Zynga. Further afield, Tiger Global also owns emerging markets technology plays. In Russia, the fund has revealed stakes in Yandex and in Mail.ru. In Asia, it owns stocks in China's leading internet bookseller, E-Commerce China Dangdang Inc. This is not the first time Tiger Global has done Chinese pre-IPO deals: Longtop Financial was another successful investment for the fund. Closer to Coleman's Manhattan home, Tiger Global has owned stock in online travel agency Priceline, which has been a top performer. Late last year, Tiger Global decided to offer investors a special redemption window and return some capital to them. Coleman graduated from Williams College.



Stephen Czech

Founder and Chief Investment Officer, Czech Asset Management, Greenwich, Connecticut

S tephen J. Czech's direct lending strategy has been through four incarnations in terms of its corporate umbrella. After leaving a role as head of mezzanine lending at Credit Suisse, Czech developed the strategy at Contrarian Capital before launching his own SJC Capital, which briefly had a joint venture with Gottex Asset Management. In January 2010, Czech took the strategy to Morgan Stanley's FrontPoint Partners, where the FrontPoint - SJC Direct Lending Fund, L.P. generated unlevered returns of 11% net in 2011, placing it well into the top echelons of hedge funds last year.

All of his investors have stayed loyal to Czech, including the Michigan State Retirement System and not-for-profit hospitals operator Ascension Health, both having invested in Czech Asset Management, L.P. that started life in December 2011 after spinning out from FrontPoint. Czech's direct lending strategy invests in senior secured, floating-rate, first and second lien loans secured by both assets and cashflows. Czech has 23 years of lending, corporate finance and restructuring experience. Czech earned his MBA from The University of Chicago Booth Graduate School of Business.

Derek Dunn

Chief Investment Officer, Overland Advisors, San Francisco

n 2009, with co-founder Gordy Holterman, Derek Dunn led the US\$3.5bn launch of Overland Advisors, which pursues a broad spectrum of relative value credit and equity strategies. As well as convertible arbitrage and volatility arbitrage, capital structure, event driven and distressed debt trades are done, generally with very little directional exposure. Dunn spent 17 years trading derivatives at DE Shaw, Morgan Stanley, KBC, and Marin Capital. Dunn has started funds before: he co-founded the KBC Alternative Investments multi strategy fund. The rest of the 16-strong team includes alumnus of Morgan Stanley, Moodys KMV, Lehman, Blue Mountain, Credit Suisse, Barclays Capital and the World Bank. Overland is comprised of a former proprietary trading team at the West Coast bank. Wells Fargo itself supplied US\$3.5bn seed capital for Overland but has been steadily scaling back its allocation with a full exit due by 2014 due to the Volcker rule. Wells Fargo has also sold most of its stake in the management company back to the two founders, Dunn and Holterman. Dunn graduated from Scotland's University of Stirling in the UK.

John Eckerson

Co-Chief Investment Officer, Claren Road Asset Management, New York

ohn Eckerson is co-chief investment officer for US\$6.7bn credit long/ short shop Claren Road, which he co-founded in 2005 with co-CIO Sean Fahey and CEO Brian Riano, all ex Citi. Eckerson used to run high yield and distressed trading at Citigroup, having started as a bond trader for Salomon Brothers in 1993 and earlier been an auditor and accountant. Citi seeded Claren Road, but a 55% ownership stake in Claren Road transferred from Citigroup and Goldman Sachs' Petershill unit to the world's second largest private equity manager, The Carlyle Group, in 2010. Mitch Petrick, Managing Director and head of Carlyle's Global Credit Alternatives business, said, "Claren Road has a track record of consistent, low-volatility, uncorrelated performance across varying market conditions during the last five years. Brian Riano says "We have an ability to recognize and identify under- and over-valued securities in the credit markets through fundamental research, combined with a broad understanding of pricing, technicals and liquidity". Claren Road made 10% in 2008. Eckerson holds an MBA in Finance from University of Chicago and a BS in Accounting from University of Delaware.

Jeffrey Enslin

President, HAWK Quantitative Strategies LLC, New York

eff Enslin is a partner and senior portfolio manager at Caxton Associates LP and has been trading macro/EM on a discretionary basis since 1995. In 2005, he developed a medium-term macro trend following system, with a unique focus on EM, called Caxton HAWK (Diversified). Enslin believes that EM assets tend to have longer and more pronounced trends than developed market assets. He notes, "Caxton HAWK (Diversified) is not long-biased, as it is designed to attempt to participate in the prevailing price action, regardless of direction." For this reason, the system has a low correlation to Emerging Market long-only and hedge fund strategies, as well as other CTAs. This system was recently rolled out as a UCITS strategy on Lyxor's Dimension UCITS platform. Mr. Enslin received a B.S. in Finance from Lehigh University and an M.B.A. from NYU's Stern School of Business. He serves on the Investment Committees for The Peddie School and Lehigh University endowments. The Caxton HAWK (Diversified) system is employed by HAWK Quantitative Strategies LLC, an investment adviser registered with the U.S Securities and Exchange Commission.

Brian Frank

Portfolio Manager, MSD Energy Partners, New York

B rian Frank's MSD Energy Partners is the second hedge fund started by MSDC Management, L.P., which is backed by Michael Dell's MSD Capital family office; the first, MSD European Opportunity Fund, focuses on European equity and credit. MSD Energy Partners was launched in March 2011 with US\$780m, and is a continuation of the strategy that Frank ran in-house at MSD starting in October 2008. MSD Capital is the largest investor in the fund. Both debt and equity securities are traded, although the focus in on equities. Stock positions include Pennsylvania based Atlas

Energy, L.P. Debt investments include notes from ZaZa Energy Corporation paying an 8% coupon, with an equity kicker attached in the form of warrants. ZaZa is active in exploration in Texas and in the Paris basin in France. Prior to joining MSD, Frank was trading at energy long/short equity fund Cumberland Associates. He also has experience in private equity for WR Hambrecht, and strategy for Harman International. Frank is a partner of MSDC Management. He graduated with an MBA from Harvard Business School and also studied Government at Harvard.

Robert Gibbins

Chief Investment Officer, Autonomy Capital, New York

R obert Gibbins runs a fundamental, thematic, global macro strategy across both developed and emerging markets focusing primarily on foreign exchange, interest rates, equities and sovereign credit and their related derivatives. Down 44% in 08 he made 69% in 09 and has been on a winning streak since, with 24% in 2010, 13% in 2011 and more profits so far in 2012. Since the fund started trading in November 2003, it has returned over 15% annualized. Gibbins has highlighted three key macro questions for 2012. Can China transition from investment led to consumer-led economic

growth? Will the United States deal with its "fiscal cliff" proactively or only in a full crisis? And can European nations set aside their differences of opinion and fiscally integrate or see the Euro "die"? Before starting Autonomy in 2003 he rose to Head of Emerging Markets Proprietary Trading at Lehman Brothers, having also been a European Government Debt Trader there. Gibbins started out as a Fixed Income and FX Derivative Trader at JP Morgan. He graduated in Economics from the Wharton School at the University of Pennsylvania.

Ray Iwanowski

SECOR Asset Management LP, New York

R ay Iwanowski once had joint responsibility for nearly US\$200bn of assets, as co-chief investment officer of Goldman Sachs Asset Management's Quantitative Investment Strategies (QIS) unit. With former General Motors Asset Management CIO Tony Kao, Iwanowski launched SECOR in 2010 and its fiduciary management business already has US\$7.5bn under management. MassMutual's Babson Capital Management owns a minority stake in SECOR, whilst 90% of the business is employee owned. SECOR is set to launch an alpha strategy this summer. It will be quantitative and multistrategy, with a global remit. Asset classes will include fixed income, equities, commodities and currencies. Strategies will include relative value trading, crosssectional, volatility and correlation trading, trend following, and opportunistic approaches. Dynamic risk budgeting techniques are designed to reduce tail risk. Pre-Goldman, Iwanowski headed the Fixed Income Derivatives Client Research Group at Salomon Brothers, where he was also a member of the Bond Portfolio Analysis Research Group. He holds an MBA from the University of Chicago, and took his bachelors degrees at the University of Pennsylvania.

Loren Katzovitz

Co-Head, Guggenheim Global Trading, New York

Guggenheim Multi Strategy fund launched in January of 2012 with initial external capital of US\$250m. Its parent, Guggenheim Partners, LLC has already backed the concept with US\$500m and may increase its total commitment to US\$2bn. This fund draws upon the growing pool of trader talent being acquired by Guggenheim Global Trading (GGT), the brainchild of Guggenheim managing partners Loren Katzovitz and Patrick Hughes. The new division of Guggenheim is taking advantage of banks exiting from proprietary trading activities and hiring former bank proprietary traders, with plans to bring on board as many as 25 trading teams according to some reports. Long/ short equity sector specialists are active in financial services, industrials, real estate, and technology, media and telecoms. GGT is also focused on quantitative equity strategies and will begin to build out its European and Asian capabilities. More than a decade ago Katzovitz and Hughes co-founded fund of hedge funds managed account platform Guggenheim Advisors, which was sold to the Bank of Ireland in 2006 before returning to Guggenheim in 2009. Katzovitz graduated from the University of Southern California.

W. Vivian Lau

Partner and co-Portfolio Manager, Serengeti Asset Management, New York

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promoted to Managing Director in 2006 at the age of 28. She managed Multi-Strategy Investing ("MSI") from 2006-2008, a multi-billion dollar proprietary investment platform, that invested across distressed debt, corporate credit, middle market loans and equities. Lau also served on Goldman's America's Special Situations Group Investment Committee and Specialty Lending Group Investment Committee. Prior to managing MSI, Lau was a senior investment professional in the Special Situations Investing and MSI groups. She has a degree from Harvard University in Applied Mathematics and Economics.

Greg Lippman

Chief Investment Officer, LibreMax Capital, New York

G reg Lippmann was well known in financial circles for leading the assetbacked and mortgage securities secondary trading desk at Deutsche Bank. His repute has spread much further after the publication of two books: Michael Lewis's The Big Short, and Greg Zuckerman's The Greatest Trade Ever, claiming that Lippmann made two billion for Deutsche by shorting subprime mortgage debt. Yet Lippmann is not a perennial bear. More recently his LibreMax has made profitable investments on the long side across the non-agency mortgage universe. Lippmann leads a team that does detailed, bottom-up, research across the whole asset backed securities spectrum, including subprime and non-agency residential, commercial mortgage backed securities and structured credit instruments. Lippmann co-founded LibreMax with former DB head of global markets North America Fred Brettschneider in 2010 and two other DB colleagues, Jordan Milman and Eugene Xu. LibreMax launched in October 2010 with approximately US\$375m and now manages roughly US\$1.5bn with a team of 22 professionals. Lippmann graduated magna cum laude from the University of Pennsylvania.

Mark McGoldrick

Founder, Chief Investment Officer, Mount Kellett Capital Management LP, New York

ark McGoldrick had co-founded, and headed, Goldman's Global Special Situations unit, that bought up illiquid distressed assets such as golf courses in Japan or power generators in Britain. Two Mount Kellett partners, Jason Maynard and Nick Weber, used to run Goldman's Asian and European special situations businesses, respectively. Mount Kellett manages more than US\$7bn, has over 100 staff, and 5 offices in London, New York, Hong Kong, Mumbai and Dallas. The Mount Kellett strategy is eclectic, doing distressed, opportunistic and special situations investing across all

geographies and asset classes. It can invest throughout the corporate capital structure, in bank loans, bonds, convertible bonds, preferred shares, and common shares. Public and private equity can also be bought. Mount Kellett can also buy property or portfolios of loans and mortgages. McGoldrick graduated from Bowdoin College and Columbia University.

Peter Muller

Founder, PDT, New York

Peter Muller founded Morgan Stanley's Process Driven Trading Group (PDT), which uses algorithms to bet on price differences. "I want my competitors to know absolutely nothing about what we do," Muller said about PDT. However, the strategy is widely thought to involve statistical arbitrage or betting on mean reversion in pricing relationships. The PDT group is said to have returned 20% a year since it started in 1993, according to Bloomberg. Moreover it has never had a losing calendar year, and was only down for two quarters, according to reports. What sets PDT apart from many peers is that it survived August 2007 unscathed. Muller has earned the respect of his peers and soon to be competitors: "I think Peter is brilliant," said Clifford Asness, co-founder of AQR Capital Management LLC, a US\$39bn quantitative investment firm in Greenwich, Connecticut. "PDT will be a top-quality firm." PDT is due to be separated from Morgan Stanley by early 2013. The split is due to the Volcker Rule. Muller received his BA in Mathematics from Princeton University.

Michael Pascutti

Chief Investment Officer, Eagle River Capital Mangagement, New York

ichael Pascutti started his Wall Street career, in 1995, in the derivatives group at Credit Suisse while completing his Harvard, Economics, Ph. D. He started out as a portfolio manager at Tribeca (a Citigroup/Travelers unit) before moving to Citadel Investment Group to join its Credit team. By 2003 he was managing the multi-strategy credit and equity portfolio and was Head of US Convertibles, overseeing Citadel's US\$9bn convertible bond portfolio. At Citadel, in 2001, Pascutti hired Benjamin Esty. Pascutti then co-founded Sandelman Partners where

together with Esty and James McNeil they managed the multi-billion dollar relative value portfolio. Pascutti, Esty, McNeil, and Jonathan Bloom launched Eagle River in April of 2011; by June 2011 they were managing US\$100m+. Eagle River focuses on fundamental credit research which is applied to corporate events. As in his past, Pascutti, deploys a strategy that views investments through the lens of a credit manager and takes advantage of the lessons he's learned from almost 20 years of managing investments and portfolio teams.

George "Beau" Taylor

Founding Partner and Chief Investment Officer, Taylor Woods Capital Management LLC, Greenwich, Connecticut

B eau Taylor got US\$150m from Blackstone to start his Taylor Woods fund with fellow Credit Suisse trader Trevor Woods. The fund swiftly received another billion from other investors and shut at US\$1.3bn. Although Taylor is most well known for trading natural gas, the fund also trades gold, coal, oil and palladium as part of its diversified commodity macro strategy. Taylor and Woods used to co-head Credit Suisse's global proprietary commodities business; Taylor also worked for Morgan Stanley and JP Morgan. Taylor recently predicted that Brent crude oil might end up as "the tightest

commodity on the planet", partly due to geopolitical risk factors. At the same time he is bearish on the outlook for natural gas and coal. In the case of coal, Taylor cites burgeoning export supplies coming onto the market from Indonesia and elsewhere, combined with declining demand from Europe. The fund has had a subdued start in terms of returns but Taylor plans to ramp up the risk, insisting that commodity volatility is here to stay.



Boaz Weinstein

Founder and Chief Investment Officer, Saba Capital, New York

B oaz Weinstein is constantly described as "making a killing" from "harpooning the whale". For the uninitiated, Weinstein's Saba Capital is said to be one of the funds on the other side of the CDS trade that has caused JP Morgan such large losses. And Saba's tail risk fund may have made as much as 16% during May, when so many hedge funds have lost money, bringing it to flat for the year. In one month Saba has already attained its target for annual returns of 12-15%. This startling success is not new to the man who, at age 27, became Deutsche Bank's youngest ever managing

director, and rose to lead a global team of 650 credit professionals. After 12 years with DB, Weinstein in 2009 spun his team out into Saba, which now runs US\$5.5bn in strategies. Recently Saba identified Italian Government debt as appearing underpriced relative to Italian bank debt, since the two had similar yields. One time chess champion Weinstein graduated in Philosophy from the University of Michigan at Ann Arbor.



Michael Weinstock

Managing Principal and Co-Portfolio Manager, Monarch Alternative Capital, New York

ichael Weinstock is a seasoned distressed debt investor. He and co-PM Andrew J. Herenstein have been buying the debt of troubled companies together for 20 years, running the award winning Lazard Debt Recovery fund before they formed Monarch in 2002. Monarch, which has approximately US\$5bn of assets, does in-depth fundamental research and also takes views on event driven situations. The firm is renowned for its expertise at restructuring businesses, and its vision for finding the phoenix-like potential of good businesses with bad balance sheets. Recent

holdings have included Visteon, Delphi Automotive and US Concrete. Monarch also has a stake in middle market direct lender, Veritas Financial Partners. The manager will sometimes take an activist stance: it joined forces with Third Point and Royal Capital to oppose a takeover bid for post-bankruptcy Smurfit-Stone. Weinstock was trained by distressed veteran Randy Smith, and started on Wall Street at Salomon Brothers and Goldman Sachs. Weinstock holds an MBA from Harvard Business School and a BS (summa cum laude) from the Wharton School of the University of Pennsylvania.



Ali Akay

Chief Investment Officer, Carrhae Capital, London

Ii Akay has scooped Blackstone's biggest European seed ticket so far: \$150m from their second generation Blackstone Strategic Alliance fund. Carrhae went live in December 2011 with a global remit for equity long/short, and an appetite for substantial emerging markets exposure in Latin America, Asia, and Emerging Europe. Yet this does not make Carrhae a "risk on" play; the non-directionality of the fund sets it apart from most rivals. The broadly market neutral stock picking approach has benefited from the collapse in correlations seen this year and is now close to its \$500m

initial capacity target. Akay is one of so many prominent hedge funders who were initiated at Goldman Sachs Principal Strategies (GSPS). He has also been the London lieutenant for Texas multi strategy giant HBK, and run emerging markets money for Steve Cohen's SAC. Notably Akay sat on SAC's investment committee and was said to have the largest allocation in the London office. Two other SAC traders followed Akay into Carrhae. Turkish national Akay grew up in Turkey and graduated from the Wharton School at the University of Pennsylvania.

Daniele Benatoff

Chief Investment Officer, Benros Capital, London

Benros last year secured the biggest ever seed ticket from Sweden's Brummer and Partners: US\$300m on day one, and both of its founders are aged in their thirties. The strategy is European event driven, trading mergers, acquisitions and restructurings. The Benros Event Driven and Opportunistic fund held steady in the second half of 2011: "While the volume of deals and events was subdued, there were still a number of idiosyncratic situations such as mergers, acquisitions or restructurings to invest in," Benros co-founder, Benatoff, said. Commenting on the outlook for the strategy, he

opined "As company boards try to improve their share prices, we are expecting to see opportunities arise in both the traditional merger arbitrage space and in softer type of events such as operational reorganizations and financial restructurings." Both Benatoff and co founder Ariel Roskis formerly worked in the Goldman Sachs Principal Strategies (GSPS) unit that has spawned so many hedge funds. Other Goldman colleagues who joined Benros included Salvatore Croce, Paul Dalton and Pierre-Dimitri Gore-Coty. Benros COO Conrad Levy helped to wind-up Peloton Partners ahead of closing.



Tony Chedraoui

Chief Investment Officer, Tyrus Capital, Monaco

ony Chedraoui's Tyrus Capital is approaching a three year track record since its launch in October 2009. The firm, which migrated to Monaco in 2012, trades a wide repertoire of corporate events. Announced mergers, auctions, hostile takeovers, Dutch tenders, post merger discounts and minority squeeze-outs can all be part of the fund. It also does spin-offs, restructurings, recapitalisations, legal events and business transitions. Deep value long positions and restructuring stories can also be invested in. Concentrated and high conviction positions can be taken: the US\$2.7bn fund had US\$350m exposure to GVT at one stage in 2009. After a flat 2011 performance wise, it has profited in 2012. Chedraoui previously rose to global head of event driven at Deephaven, which had hired him initially to head up European event trading and start a European event fund. He also worked as a corporate financier and proprietary trader for Lehman Brothers, focused on the media and telecoms sectors. Chedraoui took his masters in Finance from the French business school, Hautes Etudes Commerciales, having first studied at the American University in Beirut in his native Lebanon.

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Loic Fery

Managing Partner, Chenavari Investment Managers, London

oic Fery founded Chenavari in 2007 and started the multi strategy credit programme in 2008 with US\$50m. Since inception, the credit spread neutral strategy has annualised at more than 13%; the European asset backed security strategy has delivered annualised 71% since May 2009, and the European real estate debt strategy has done 86%, also annualised, since January 2010. Investors can go for a multi strategy fund, or pick and choose amongst share classes specialising in credit spread neutral, secondary mezzanine asset backed securities, European real estate debt, or regulatory capital structure finance. Chenavari is entirely owned by its partners, who also have some US\$45m invested in their own funds and always commit their own capital to new funds that the manager launches. Fery formerly set up Calyon's structured credit and credit derivatives business where he oversaw a team peaking at 250 staff, as Global Head of Credit Markets. Fery also ran Societe Generale's Asian credit derivatives business in Hong Kong. French national Fery has co-authored books on credit derivatives and securitisation, and received his M.Sc in Finance from the highly ranked HEC business school in Paris.

Carl Stephen George

Principal, Pivot Capital Management, Monaco

arl Stephen George has concerns about China's interconnected web of shadow banking, excessive lending, wasteful investment and real estate speculation. This view has been translated into investment success, including anticipating the Brazilian interest rate cuts in 2011/12. Since 2006 Pivot has a reputation of being bearish and being right: the Pivot Global Value Fund shot up 49% in 2007 and 52% in 2008. It has continued to deliver positive numbers since, including 16.6% in 2011. The Fund has only suffered two negative years in its 10 year track record, 2002 (-0.5%) and 2006 (-0.7%), and investors find the asymmetry of the return profile very attractive. George spent 5 years as Head of Research at Sovereign Asset Management in Monaco, before joining Pivot in 2003. He received his MBA from HEC in Paris, and graduated in Banking and International Finance from City University Business School (CASS).



Kay Haigh

Chief Investment Officer, Avantium Investment Management, London

ay Haigh went independent with emerging markets macro fund Avantium in October 2011. The team, strategy and risk management have more or less seamlessly moved over from Deutsche Bank, where Haigh headed emerging markets rates and FX trading and structuring. He was joined by senior investment team members Scott Kramer and Felix Hofmann, as well as long term Deutsche Bank veteran Arnd Sieling, on the infrastructure side. All three are partners of Avantium. The fund has already tripled its US\$200m initial capital to assets of US\$600m. Initially the capacity target is a relatively restrained one billion dollars, to maintain room for manoeuvre in the emerging markets. Avantium already has offices in London, Zurich and New York and its geographically diverse investor base includes HSBC's Next Generation Fund, it is understood. The Avantium Liquid Emerging Markets Macro fund trades interest rates, currencies, and credit, sticking with liquid instruments. Haigh spent 17 years at Deutsche Bank.



Massi Khadjenouri

Chief Investment Officer, Chief Risk Officer, Kite Lake Capital, London

assi Khadjenouri made her name as Chief Investment Officer of the Cheyne Special Situations Fund, which she managed between March 2003 and December 2008, growing it to Europe's biggest Special Situations fund with assets of EUR 3.5bn. Special situations has been the common thread running through her career: she founded the special situations desk at Paribas bank where she worked from 1993 to 2000, and also pursued event driven special situations as Senior Partner and Managing Director of Centaurus Capital. Now the multi-strategy fund Kite Lake that she founded with

her former colleague Jan Lernout in February 2011 makes merger arbitrage its biggest allocation at up to 140% of NAV. Credit is the second largest strategy bucket, followed by distressed and equity event investing. Jamie Sherman joined the team from PSAM in June 2011 to take the role of PM for equities while Lernout is the PM for credit. Former Cheyne colleague Rupert Haworth-Booth joined Massi at Kite Lake as COO. Khadjenouri received her MBA from the Wharton School at the University of Pennsylvania, having graduated summa cum laude with a BS in Accounting from Georgetown University, Washington DC.

Ben Levine

Co-Founder and Chief Executive, LMR Partners, London

MR Partners has given its investors stunning returns since launch in February 2010: 30% in 2010 and 38% in 2011. These returns, and inflows, have forced the fund to close with assets of US\$850m, including a new fund that launched on April 2nd. The multi-strategy fund blends systematic equity trading with discretionary macro and managed futures. It is multi-asset class, trading equities, bonds, commodities and currencies over a range of time frames. It was seeded by Donald Sussman's Paloma Partners, which was also behind the PAAMCO fund of funds. Levine was

formerly Managing Director, Co-Head of European Cash Equity Trading, at UBS Investment Bank where he ran programme trading and sector trading books. He also did program and quantitative trading at Goldman. LMR is comprised of two other Founding Partners, namely Andrew Manuel who was also at Goldman, running a discretionary macro strategy and Stefan Renold who worked with Levine on the UBS Quantitative Trading Team. Levine received his Masters in Econometrics from the London School of Economics and his Bachelors in Economics from Cambridge University.

Jonathan Martin

Co-Founder, Markham Rae, London

he fact that Martin has co-founded a hedge fund with 50% ownership may perhaps signify the rising status of risk managers; although Martin also held portfolio management responsibilities on the AllBlue product. Martin co-founded Markham Rae in December 2010 which currently has US\$590m AUM, having made gains of 10.31% in 2011 and 4.48% in 2012. As Head of Risk Management of Bluecrest, Martin had extensive experience across all of the asset classes Markham Rae trades (G12 interest rates, relative value fixed income and foreign exchange) and many more. He belonged to the operating committee, the capital allocation committee, and also had responsibility for market risk. Earlier Martin had done Interest Rate Derivative Sales for CSFB, and Exchange Traded Derivative Sales at Barclays Capital and JP Morgan. Markham Rae's other equal founding partner is Christopher Brandt, who previously headed up the London currency and bond proprietary trading desk of BNP Paribas, which retains close links with Markham Rae. Ex JP Morgan quants Oliver Williams and Janos Hawkins are also part of the team. Martin read Philosophy, Politics and Economics at Oxford University.

Sam Morland

Founder and Chief Investment Officer, OVS Capital Management LLP, London

am Morland delivered an exceptional 7.8% return in 2011 when many event driven funds were struggling to even preserve capital. Doubtless this performance has helped to propel his assets beyond the US\$500m mark: no mean feat when he launched with only US\$8m in late 2010, this is one fund that did not start life with a huge seed ticket. One ingredient of OVS success may be its ability to flexibly and dynamically allocate amongst underlying strategies: when the opportunity set for mergers deteriorated, Morland was able to re-deploy capital into relative value trades

that performed better last year. Versatility may be second nature to Morland after he spent over 10 years working for the multi-strategy, multi-billon dollar Dallas-based fund, HBK, and from where a number of his team also come. As assets have grown, Morland has been augmenting his team with the addition of equity analyst Manuel Blanco from Trafalgar Asset Managers, trader Zac Lewis from James Caird, and marketer Nick McEwen from Revere.



Guillaume Rambourg

Founder and Chief Investment Officer, Verrazzano, Paris

errazzano raised close to US\$400m during the first few months following the launch in March of this year. "I'm a European stockpicker" says Rambourg, who spent 15 years working alongside Gartmore's Roger Guy, managing US\$13bn altogether in London, across both long-only and long/short strategies. Rambourg's two new funds follow the strategy pattern he developed with Gartmore's AlphaGen Tucana, and AlphaGen Capella products. One fund is more concentrated and higher conviction than the other, but its holdings overlap with those of the more

diversified vehicle. The same range of European equities provide the canvas for Rambourg to apply his disciplined approach whereby trades have exit points defined both in terms of price and time frame. The "golden rules" developed at Gartmore remain the guiding stars that keep the portfolio management process pragmatic, unemotional, liquid, respectful of market trends, always alert to news, and ready to reverse views on any stock. Rambourg graduated from French business school ESSEC, in Paris.

Jens-Peter Stein

Co-Chief Investment Officer, Stone Milliner, London and Zug

Norgan Stanley before joining Moore's London office. The two CIOs, and four other portfolio managers, are given their own pools of capital to manage. PMs Moore. An open plan mentality means information is fully shared amongst the managers, while they are able to express their own views in their portfolios.

This diversity of styles and trading time horizons smoothed returns when they were at Moore. Annualised returns averaged 8%, with 14% posted in 2008 and 15% in 2007. Shorting the Japanese Yen reportedly helped Stone Milliner to generate a profit of more than 2% in the first quarter of this year.



Galia Velimukhametova

Portfolio Manager, GLG, London

G alia Velimukhametova joined GLG in 2008 as a portfolio manager managing the Market Neutral Fund's distressed strategy. Since 2009 she has been the portfolio manager for her own European Distressed Fund. Velimukhametova was Managing Director and Member of the Investment Committee at King Street Capital, where she moved the firm into Europe. She spent seven years at JP Morgan as a Debt, Equity and Capital Structure Arbitrage trader, charged with running a prop trading book. She has also worked for Baring Asset Management and Rothschild Asset Management.

She currently sees big opportunities in European distressed. "We still have the issue of the 'wall of maturities' in Europe. The market is still largely broken, and we have not seen many new leveraged loans." She predicts that "many leveraged loans will hit the wall. Some companies may be able to refinance, but a big chunk of them will have to be restructured." Catalysts for stresses could include Basel III banking rules that could force fire-sales of loans. Galia received an MBA from Washington University and an Honours degree in Economics from Moscow University.

Jaime Vieser

Chief Investment Officer, Castle Hill, London

aime Vieser's returns may have slowed down since he started, but the numbers have stayed positive through challenging conditions. He did 26% in 2010, 5% in 2011 and a small positive amount in 2012 so far. Given the market-neutral approach these returns have come from accurate security selection rather than directional bets. Strategies include relative value, capital structure arbitrage, event-driven and distressed. Castle Hill has won the confidence of Ignis Asset Management (the in-house asset management arm of Phoenix Group Holdings), which has US\$2bn of long-only and credit opportunities money with Castle Hill and has taken a minority stake in the management company. Vieser was previously a proprietary trading chief of high yield at Deutsche Bank. The CEO, Brian Bassett, overlapped with Vieser at Deutsche, and was in charge of leveraged finance. Bassett was re-united with Vieser after a spell as chief investment officer of Axial, part of Ignis. Other investment team members include Craig Abouchar, Vikram Govindan, Philip Grose, Ross Mandeville, Sven Olson, Tom O'Shea, Sasha Vlahcevic and Fraser Brown, many of whom come from Deutsche Bank.



John Ho

Founder and Chief Investment Officer, Janchor Partners Ltd, Hong Kong

ohn Ho's Janchor Partners Pan Asian Fund made 8.6% in 2011 after 35% in 2010 from its Asian long/short equity strategy. "We look at our performance over multi-year market cycle" Ho says, and the fund unusually has a three year lock-up for most investors, preferring not to focus "on any one year return". Assets have multiplied from US\$40m at launch to over US\$1bn now. Janchor guards its capacity carefully as there is a distinctive twist to the fee structure: "our business model doesn't allow us to get more management fees, we want to know every dollar we have makes returns" says Ho. Investors tying up capital for longer get lower fees, management fees are reduced above assets of US\$500m, and performance fees can be clawed-back by investors if there is a yearly loss. Ho used to be the Asia chief and Hong Kong office head for Chris Hohn's The Children's Investment Fund, but Janchor eschews activism. Ho graduated with degrees in Mathematics and Finance from Australia's University of New South Wales.



Carl Huttenlocher

Founder, Myriad Asset Management, Hong Kong

yriad targets assets of US\$2bn for its multi strategy fund, trading corporate securities from equities, convertible debt and corporate bonds to credit and equity derivatives. The fund started with US\$300m of seed capital from Huttenlocher himself and a family office. Already assets have surpassed US\$1bn. From 2002 to 2011 Huttenlocher worked for Highbridge Capital Management, LLC where he was Managing Director, Senior Portfolio Manager for the Highbridge Asia Opportunities Fund (HAO) and a Member of the Global Investment Committee for Highbridge Capital Corporation (HCC). Huttenlocher managed between US\$1.5bn and US\$5.3bn of investor capital in Asia through HCC and HAO, averaging AUM of US\$3bn from 2006 through to 2011. One time Morgan Stanley Asia Chief Operating Officer, Scott Gaynor, is Myriad's COO. Prior to Highbridge, Huttenlocher's previous portfolio management roles included taking charge of Asian convertible and derivative investments for Long Term Capital Management, and trading European and Latin American convertibles for Citadel. Huttenlocher graduated in Mathematics from Massachusetts Institute of Technology.

Gerard Satur

Founder, MST Capital, Sydney

he exodus of traders from banks continues apace. Whilst UBS was compelled by regulations to exit proprietary trading in the US, the Swiss bank has chosen to follow suit elsewhere as it takes a conservative stance in the wake of trading losses. Led by Gerard Satur, MST Capital will aim at annual returns of 10% to 15%. The fund started trading at UBS in July 2011 before being spun out in March of this year. An amicable relationship with UBS will continue: "We're spinning out of the best investment bank in Australia," Satur said. "We have a very experienced investment team across all asset classes." He takes with him former colleagues including Jeremy Hooper of Morgan Stanley and Mathew Mulcahy, who had worked at Pacific Investment Management Company. "We're offering a global macro product, with an Asia bias, which we think can perform well in all market environments," said MST Capital's Investor Relations chief Mark Levinson. Satur had headed UBS securities in Australia, and its equity trading in the USA. His last UBS job title was Head of Macro Strategic Trading.

Morgan Sze

Founder, Azentus, Hong Kong

zentus started in April 2011 with US\$1bn, in what the Economist magazine dubbed the largest ever Asian launch. Within four months assets had doubled to US\$2bn and the fund had soft closed. Azentus follows a multi strategy approach trading equities and credit, including special situations such as event driven and merger deals. The majority of the fund's assets tend to be in Asia and most of its positions are in equities or equity related securities. Its stock selection inputs include macro perspectives and individual company level analysis. Azentus Global Opportunities reportedly

lost 7% in 2011, but made a strong comeback in 2012. Azentus founder Morgan Sze previously rose to globally head the Goldman Sachs Principal Strategies (GSPS) proprietary trading desk. Sze's 17 years at Goldman started in investment banking, moved on to equity arbitrage, and included phases pioneering the catastrophe bonds market. He also belonged to the firm-wide Risk Committee and the Asia Securities Division Operating Committee. Sze started his investment career at Merrill Lynch after taking his MBA from the University of Chicago, and his bachelors at Cornell.

Danny Yong

Chief Investment Officer, Dymon Asia, Singapore

ymon's 20% return in 2011 was exceptional against any metric: macro funds, Asian funds, or hedge funds in general, during the second worst year on record for the asset class. In a year of markets alternating between risk-on and risk-off mode, nimble trading was essential. Dymon was at different times short of Japanese equities, long of China's Renminbi and short of the Euro. Yong has traded for JP Morgan, Goldman Sachs, Citadel and hedge fund Abax before going it alone. At Citadel, Yong was charged with establishing an Asian currency and rates desk for the Asian macro

fund. Dymon assets have swiftly risen to a hard close at US\$2.5bn from the US\$113m seed capital from Tudor in 2008. This has helped Dymon to lure high profile traders such as former Brevan Howard trader Rajesh Raman, and Jay Luo from SAC. Yong is keen to fly the flag for his native Singapore, forecasting that it could "become the hedge fund centre of the world". He graduated in Banking and Finance from Singapore's Nanyang Technological University.

Joe Zhou

Chief Investment Officer and Executive Director, Ortus, Hong Kong

oe Zhou's Ortus fund keeps winning awards in all kinds of categories. The latest was Asia Hedge's Fund of the Year. Ortus applies advanced statistical and quantitative techniques to the currency markets. The aim is to take advantage of the divergences in fundamental economic and monetary policy cycles. Both inflows and performance have helped grow assets beyond US\$3bn. At the start of this year Zhou opined that China's Renminbi currency was no longer undervalued; its subsequent depreciation has vindicated his conviction. Zhou has been a proprietary trader (at Lehman and Bear) and an academic (University of St Louis) prior to starting Ortus Capital. Zhou has been published in academic journals, as has his deputy CIO, Dr Bill Lu who formerly worked at China Investment Corporation as Head of Hedge Fund Investments and at Tudor as a systematic portfolio manager. Zhou has a PhD in Finance and a Masters in Statistics from the Wharton School at the University of Pennsylvania. He took his Bachelors in Mathematics at Wuhan University in mainland China.